



CITY OF CLOQUET

City Council Agenda
Tuesday, September 7, 2021
6:00 p.m.

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
 - a. Approval of September 7, 2021, Council Agenda
4. **Approval of Council Minutes**
 - a. Regular Council Minutes from the August 17, 2021 Meeting
5. **Public Comments**

Please give your name, address, and your concern or comments. Visitors may share their concerns with the City Council on any issue of public business. Each person will have 3 minutes to speak. The Mayor reserves the right to limit an individual or successive individual's presentation if they become redundant, repetitive, irrelevant, or overly argumentative. All comments will be taken under advisement by the City Council. No action will be taken at this time.
6. **Consent Agenda**

Items in the Consent Agenda are considered routine and will be approved with one motion without discussion/debate. The Mayor will ask if any Council members wish to remove an item. If no items are to be removed, the Mayor will then ask for a motion to approve the Consent Agenda.

 - a. Resolution No. 21-44, Authorizing the Payment of Bills and Payroll
 - b. Resolution No. 21-42, Approving Off-Site Gambling Permit for Eagles Aerie #1163
 - c. Resolution No. 21-43, Approving New Lawful Gambling Premises Permit Application for R.E.A.C.H., Inc.
 - d. Optional 2AM Liquor License Renewal – Lumberjack Lounge, LLC
7. **Public Hearings**

None.
8. **Presentations**
 - a. Pine Valley Recreation Area Master Plan



**CITY OF CLOQUET
City Council Agenda
Tuesday, September 7, 2021**

9. Council Business

- a. Consideration of Citizens Advisory Board Appointment – M. Pederson
- b. Appointment of Finance Director – J. Bailey
- c. 2022 Preliminary Budget Review
- d. Resolution No. 21-45, Restricting Nonessential Water Usage Upon Drought Conditions as Authorized by Minnesota Statute 103G.291 and Cloquet City Code 11.3.01.
- e. Resolution No. 21-46, Resolution Awarding 2021 SCADA System Improvements
- f. PLA Amendment Discussion

10. Council Comments, Announcements, and Updates

11. Adjournment

Via Teleconference
6:00 P.M. August 17, 2021

DRAFT

Regular Meeting

Roll Call

Councilors Present: Carlson, Swanson, Kolodge, Jaakola, Wilkinson, Mayor Maki

Councilors Absent: Lamb

Pledge of Allegiance

AGENDA

MOTION: Councilor Kolodge moved and Councilor Swanson seconded the motion to approve the August 17, 2021 agenda. The motion carried unanimously (6-0).

MINUTES

MOTION: Councilor Jaakola moved and Councilor Wilkinson seconded the motion to approve the Regular Meeting minutes of August 3, 2021, as presented. The motion carried unanimously (6-0).

PUBLIC COMMENTS

There were none.

CONSENT AGENDA

MOTION: Councilor Swanson moved and Councilor Carlson seconded the motion to adopt the Consent Agenda of August 17, 2021, approving the necessary motions and resolutions. The motion carried unanimously (6-0).

- a. Resolution No. 21-37, Authorizing the Payment of Bills
- b. Approval of Application for Deferment of Special Assessment
- c. Resolution No. 21-40, Approving Final Layout for State Aid Project No. 009-603-038 on County State Aid Highway 3 (14th Street)
- d. Resolution No. 21-41, Approving Parking Restrictions on 14th Street from Tall Pine Lane to Washington Avenue and Washington Avenue to Prospect Avenue
- e. Approval of Off-Site Gambling Permit – Wood City Riders
- f. Approval of Exempt Permit to Conduct a Bingo and Raffle Event – Queen of Peace Parish
- g. Approval of New Massage Therapist License – N. Milewski

PUBLIC HEARINGS

There were none.

PRESENTATIONS

There were none.

APPOINTMENT OF POLICE OFFICER

MOTION: Councilor Wilkinson moved and Councilor Jaakola seconded the motion to approve the probationary appointment of Megan Conley to the position of Police Officer. The motion carried unanimously (6-0).

COOPERATIVE HOCKEY LEASE AGREEMENT

MOTION: Councilor Kolodge moved and Councilor Wilkinson seconded the motion to not approve the revised Cooperative Hockey Lease Agreement between the City of Cloquet and the Cloquet School District. The motion carried unanimously (6-0).

PLA AMENDMENT DISCUSSION

City Administrator Peterson reviewed the draft amendment of the Project Labor Agreement, stating the changes pertain to adding language allowing prevailing wage. Mr. Peterson explained that a union entity would follow the PLA as it currently is, a non-union party would follow the added language of prevailing wage.

Mayor Maki invited public comment at this time:

Lee Anderson, resident of Cloquet, provided Council with an opinion he wrote in the Duluth News Tribune regarding previous PLA discussions by City Council. Mr. Anderson's opinion is that a PLA or union is not needed to pay decent wages. He also stated that project prices are increased by 30% or more with a PLA, making projects inefficient. Mr. Anderson stated the best compromise is to have prevailing wage and leave unions out of this.

Derek Peterson, Local 1091 Business Agent and resident of Cloquet, commented that a PLA is good for Cloquet where many union members live. Mr. Peterson suggested Council consider having prevailing wage separate from the PLA and under the \$175,000 threshold. He would like to see continued discussion with the City and work together instead of disagreeing.

Dan Olson, Business Manager for Labor Local 1091, resident of Superior, stated he was disappointed the union wasn't part of the proposed amendment discussion. They are willing to discuss changes that could be incorporated into the PLA that would protect the city's investments and tax-payer dollars. He would like to see continue discussion with the building and trades to find an equitable solution and suggested the City of Cloquet should start by getting a prevailing wage ordinance.

Council comments:

Councilors Carlson, Swanson and Jaakola agree more discussion needs to take place on this.

Councilor Kolodge stated that because it's a city ordinance, he doesn't agree that the building and trades should be involved in the discussion.

Councilor Jaakola commented the unions should be involved with the PLA discussion, but not part of the ordinance amendment discussion, and possibly the prevailing wage discussion.

City Administrator Peterson clarified that prevailing wage language would be part of the actual document, not the ordinance. Aside from adding language for non-union contractors, no other changes were made to the agreement, but asked Council to review the amendments made and bring back any questions or concerns to the September 7th Council meeting.

MOTION: Councilor Swanson moved and Councilor Carlson seconded the motion to table the prevailing wage conversation until further clarification of how prevailing wage would effect taxpayers and union workers. The motion passed (4-2), Councilor Kolodge and Mayor Maki opposed.

COUNCIL COMMENTS, ANNOUNCEMENTS AND UPDATES

Administrator Peterson revisited the electronic agenda program approved by Council prior to Council meetings taking place virtually, stating it will be in place for the October 5, 2021 Council meeting.

Councilor Wilkinson commented that COVID vaccines are still readily available.

Chief Randall stated one vacancy remains on the Citizens Advisory Board.

ADJOURNMENT

On a motion duly carried by a unanimous yea vote of all members present on roll call, the Council adjourned.

Tim Peterson, City Administrator



ADMINISTRATIVE OFFICES

101 14th Street Cloquet, MN 55720-1903
Phone: 218.879.3347 Fax: 218.879.6555
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Mary Kay Hohensee-Mayer, Assistant Finance Director
Reviewed by: Tim Peterson, City Administrator
Date: September 7, 2021

ITEM DESCRIPTION: Payment of Bills and Payroll

Proposed Action

Staff recommends the Council move to adopt **RESOLUTION NO. 21-44, A RESOLUTION AUTHORIZING THE PAYMENT OF BILLS AND PAYROLL.**

Background/Overview

Statutory Cities are required to have most claims authorized by the city council.

Policy Objectives

MN State Statute sections 412.271, Claims and Disbursements for Statutory Cities.

Financial/Budget/Grant Considerations

See resolution for amounts charged to each individual fund.

Advisory Committee/Commission Action

Not applicable.

Supporting Documents Attached

- a. Resolution Authorizing the Payment of Bills and Payroll
- b. Vendor Summary Report
- c. Department Summary Report

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 21-44

A RESOLUTION AUTHORIZING THE PAYMENT OF BILLS AND PAYROLL

WHEREAS, The City has various bills and payroll each month that require payment.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the bills and payroll be paid and charged to the following funds:

101	General Fund	\$	435,177.18
201	LDO Project Fund (EDA)		642.50
202	Federal CDBG Loan (EDA)		1,928.11
231	Public Works Reserve		7,312.04
405	City Sales Tax Capital		1,292.96
600	Water - Lake Superior Waterline		46,966.49
601	Water - In Town		55,918.32
602	Sewer Fund		102,250.85
605	Stormwater		673.83
614	Cable TV		1,325.00
701	Employee Severance		150.10
	TOTAL:	\$	<u>653,637.38</u>

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 7TH DAY OF SEPTEMBER, 2021.**

ATTEST:

Roger Maki, Mayor

Tim Peterson, City Administrator

INVOICES DUE ON/BEFORE 09/07/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
110903	AFTERLIFE ELECTRONICS	0.00	38.00
111950	ADVANCED DESIGN AWNINGS	0.00	420.00
112335	RYAN GUNDERSON	0.00	3,096.01
113650	AMAZON.COM CREDIT	5,859.82	917.00
116950	AMERIPRIDE SERVICES INC	7,070.79	456.61
119700	ARROWHEAD CONCRETE WORKS, INC.	12,422.75	3,321.50
121000	ARROWHEAD SPRINGS INC	728.25	103.75
121250	THE JAMAR COMPANY	2,028.50	522.30
121350	ASPEN MILLS	1,233.27	1,793.95
123400	BAKER & TAYLOR	12,239.91	972.07
125900	BEST SERVICE	317.78	536.06
128075	BRAUN INTERTEC CORP	5,677.50	1,042.50
128900	BROCK WHITE	280.86	336.87
132380	CAMPION, BARROW & ASSOCIATES	0.00	1,320.00
135675	VORK ENTERPRISES INC	1,630.00	585.00
136850	CENTER POINT LARGE PRINT	1,059.36	132.42
137310	CENTURY LINK	5,266.06	256.56
137340	CHAMBERLAIN OIL CO., INC.	6,048.79	695.55
139025	CINTAS	3,271.81	173.66
139030	CINTAS CORPORATION NO 2	7,698.24	833.51
139800	CLOQUET AREA CHAMBER OF COMMER	47,915.80	7,022.40
142800	CLOQUET SANITARY SERVICE	14,350.70	100.74
142950	CLOQUET SHAW MEMORIAL	141.50	2.10
145300	COMMUNITY PRINTING	3,599.50	109.25
147050	CONSOLIDATED TELEPHONE COMPANY	26,794.74	3,325.76
147600	EXELON CORPORATION	12,936.43	1,376.78
148800	CROW GOEBEL VETERINARY CLINIC	4,521.85	63.02
150100	D A L C O	6,121.35	43.50
150400	D E M C O	4,102.01	108.81
152775	DELTA DENTAL OF MINNESOTA	26,737.10	3,320.55
156800	DULUTH NEWS TRIBUNE	298.88	298.88
161675	EMC NATIONAL LIFE	14,449.23	1,334.51
165375	FERGUSON WATERWORKS #2516	9,117.49	115.32
170975	FRIENDS OF THE CLOQUET LIBRARY	158.19	94.23
171100	FRYBERGER, BUCHANAN, SMITH &	146,671.40	2,735.61
171800	GALE/CENGAGE LEARNING	1,087.18	130.90
174300	GLORY SHINE JANITORIAL CLEAN	10,500.00	1,050.00
175700	GRAINGER	2,064.06	190.70
179340	HAGENS GLASS & PAINT	8,401.48	510.12
180500	HAWKINS INC	48,304.76	7,751.84
183600	HORIZON COMMERCIAL POOL SUPPLY	299.04	10.97
187500	INGRAM LIBRARY SERVICES	862.41	184.29
191700	JERRY'S AUTO ELECTRIC	342.49	100.00
196800	KOLB CONSTRUCTION, INC.	0.00	135.00

INVOICES DUE ON/BEFORE 09/07/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
202100	LAWSON PRODUCTS INC	3,539.48	454.10
207500	MANSFIELD ENERGY CORP	64,902.83	14,802.92
209875	MCCOY CONSTRUCTION & FORESTRY	151,841.06	317.87
211400	MENARDS INC	2,730.64	431.56
211645	METERING & TECHNOLOGY SOLUTION	2,463.52	939.05
211700	METRO SALES, INC.	6,902.31	284.82
212400	MICHAUD DIST INC	154.00	22.00
214500	MINIT MART 557	40.00	80.00
217300	MIRACLE RECREATION EQUIPMENT	6,249.05	626.51
220925	MN DEPARTMENT OF PUBLIC SAFETY	134.00	65.25
229500	NAPA AUTO PARTS	5,231.38	47.39
234600	NORTHERN BUSINESS PRODUCTS	4,282.24	580.17
236100	NORTHLAND CONSTRUCTORS	123,453.39	1,347.56
236125	NORTHLAND FIRE & SAFETY, INC	4,384.95	483.90
244975	PINE KNOT LLC	54,023.50	1,406.00
247400	396-PRAXAIR DISTRIBUTION, INC.	8,848.64	208.68
247730	PREMIER THREE DEVELOPERS	0.00	69.30
251100	R & R SPECIALTIES OF WISCONSIN	0.00	3,265.40
251500	COMMUNITY MEMORIAL HOSPITAL	0.00	413.50
255000	RIVISTAS LLC	0.00	609.78
259460	SAGINAW POWER & AUTOMATION	2,175.26	1,180.00
260950	SCHOLASTIC LIBRARY PUBLISHING	1.67	2.59
264820	THE SMITH COMPANY INC	12,773.30	3,636.60
268800	STOCK TIRE COMPANY	5,226.67	25.00
270200	SUPERIOR COMPUTER PRODUCTS INC	44,203.25	6,458.68
270300	SWAGIT PRODUCTIONS, LLC	9,275.00	1,325.00
271320	T MOBILE	9,298.50	1,162.40
271325	NANCY GETCHELL	6,264.28	194.36
271975	TEAMSTERS JOINT COUNCIL 32	337,928.01	33,506.00
275450	TOLLERUD HEATING INC.	0.00	270.00
277550	TURFWERKS	1,628.74	175.26
278550	TWIN PORTS PAPER & SUPPLY, INC	673.60	49.10
278600	TWIN PORT MAILING	28,454.38	6,816.77
279100	U S BANK EQUIPMENT FINANCE	5,314.95	508.41
280925	UNIQUE MANAGEMENT SERVICES	491.40	28.35
281000	UNITED ELECTRIC COMPANY	1,278.07	218.60
284875	VERIZON WIRELESS	4,214.37	259.34
286900	W L S S D	608,700.50	77,000.60
287800	WAL-MART COMMUNITY	847.04	37.73
287900	WAL-MART COMMUNITY	1,118.95	89.58
288150	WASTE MANAGEMENT NORTHERN MN	253.37	63.32
289015	WELLS FARGO CREDIT CARD	63,261.36	4,941.26
292300	WTS MEDIA	0.00	75.53
293700	ZIEGLER INC	167.61	193.20

DATE: 09/02/2021
TIME: 10:40:53
ID: AP442000.WOW

CITY OF CLOQUET
VENDOR SUMMARY REPORT

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INVOICES DUE ON/BEFORE 09/07/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
R0002082	FRANK CURTISS	100.00	550.86
R0002092	IREAD	0.00	106.90
R0002094	SOUND OF SIGNAL	0.00	7,312.04
R0002095	CECELIA LEON	0.00	48.75
R0002096	TOM VAN REESE	0.00	17.10
R0002097	BOB & KAREN ATKINS	0.00	26.85
R0002098	ANDY ANGELL	0.00	92.34
TOTAL ALL VENDORS:			220,496.88

City of Cloquet
Vendor Summary Report Reconciliation
Invoices Due On/Before 9/7/2021

Bills	220,496.88
Less: CAFD	(4,604.38)
Less: Library	<u>(7,401.39)</u>
Bills approved	208,491.11
Other:	
Payroll	483,157.23
Payroll - benefits	<u>(38,010.96)</u>
Total Bills and Payroll Approved	<u><u>653,637.38</u></u>

INVOICES DUE ON/BEFORE 09/07/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
00			
152775	DELTA DENTAL OF MINNESOTA	26,737.10	3,170.45
161675	EMC NATIONAL LIFE	14,449.23	1,334.51
220925	MN DEPARTMENT OF PUBLIC SAFETY	134.00	21.00
271975	TEAMSTERS JOINT COUNCIL 32	337,928.01	33,506.00
289015	WELLS FARGO CREDIT CARD	63,261.36	-726.90
			37,305.06
32	LICENSES & PERMITS		
286900	W L S S D	608,700.50	3,609.60
	LICENSES & PERMITS		3,609.60
41	GENERAL GOVERNMENT		
139030	CINTAS CORPORATION NO 2	7,698.24	36.94
145300	COMMUNITY PRINTING	3,599.50	109.25
147050	CONSOLIDATED TELEPHONE COMPANY	26,794.74	411.78
171100	FRYBERGER, BUCHANAN, SMITH &	146,671.40	165.00
212400	MICHAUD DIST INC	154.00	22.00
220925	MN DEPARTMENT OF PUBLIC SAFETY	134.00	30.00
234600	NORTHERN BUSINESS PRODUCTS	4,282.24	20.51
244975	PINE KNOT LLC	54,023.50	796.00
270200	SUPERIOR COMPUTER PRODUCTS INC	44,203.25	4,737.00
278600	TWIN PORT MAILING	28,454.38	273.45
279100	U S BANK EQUIPMENT FINANCE	5,314.95	207.11
281000	UNITED ELECTRIC COMPANY	1,278.07	54.65
284875	VERIZON WIRELESS	4,214.37	245.03
289015	WELLS FARGO CREDIT CARD	63,261.36	1,073.27
	GENERAL GOVERNMENT		8,181.99
42	PUBLIC SAFETY		
121350	ASPEN MILLS	1,233.27	1,793.95
132380	CAMPION, BARROW & ASSOCIATES		1,320.00
135675	VORK ENTERPRISES INC	1,630.00	585.00
139030	CINTAS CORPORATION NO 2	7,698.24	150.30
147050	CONSOLIDATED TELEPHONE COMPANY	26,794.74	790.11
148800	CROW GOEBEL VETERINARY CLINIC	4,521.85	63.02

INVOICES DUE ON/BEFORE 09/07/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
42	PUBLIC SAFETY		
191700	JERRY'S AUTO ELECTRIC	342.49	100.00
207500	MANSFIELD ENERGY CORP	64,902.83	3,738.19
214500	MINIT MART 557	40.00	80.00
220925	MN DEPARTMENT OF PUBLIC SAFETY	134.00	14.25
234600	NORTHERN BUSINESS PRODUCTS	4,282.24	119.97
236125	NORTHLAND FIRE & SAFETY, INC	4,384.95	483.90
251500	COMMUNITY MEMORIAL HOSPITAL		413.50
270200	SUPERIOR COMPUTER PRODUCTS INC	44,203.25	1,424.68
271320	T MOBILE	9,298.50	1,162.40
271325	NANCY GETCHELL	6,264.28	194.36
278600	TWIN PORT MAILING	28,454.38	78.12
279100	U S BANK EQUIPMENT FINANCE	5,314.95	188.42
281000	UNITED ELECTRIC COMPANY	1,278.07	54.65
287900	WAL-MART COMMUNITY	1,118.95	89.58
289015	WELLS FARGO CREDIT CARD	63,261.36	2,807.79
	PUBLIC SAFETY		15,652.19
43	PUBLIC WORKS		
119700	ARROWHEAD CONCRETE WORKS, INC.	12,422.75	1,620.00
121000	ARROWHEAD SPRINGS INC	728.25	86.75
125900	BEST SERVICE	317.78	233.72
128900	BROCK WHITE	280.86	265.41
137340	CHAMBERLAIN OIL CO., INC.	6,048.79	695.55
139025	CINTAS	3,271.81	70.24
139030	CINTAS CORPORATION NO 2	7,698.24	296.41
147050	CONSOLIDATED TELEPHONE COMPANY	26,794.74	266.24
179340	HAGENS GLASS & PAINT	8,401.48	49.12
196800	KOLB CONSTRUCTION, INC.		135.00
202100	LAWSON PRODUCTS INC	3,539.48	227.05
207500	MANSFIELD ENERGY CORP	64,902.83	3,318.49
209875	MCCOY CONSTRUCTION & FORESTRY	151,841.06	317.87
211700	METRO SALES, INC.	6,902.31	43.18
229500	NAPA AUTO PARTS	5,231.38	29.82
234600	NORTHERN BUSINESS PRODUCTS	4,282.24	24.76
236100	NORTHLAND CONSTRUCTORS	123,453.39	755.79
247400	396-PRAXAIR DISTRIBUTION, INC.	8,848.64	104.34
264820	THE SMITH COMPANY INC	12,773.30	3,636.60
268800	STOCK TIRE COMPANY	5,226.67	25.00
278600	TWIN PORT MAILING	28,454.38	78.12
289015	WELLS FARGO CREDIT CARD	63,261.36	149.83
293700	ZIEGLER INC	167.61	193.20
	PUBLIC WORKS		12,622.49

INVOICES DUE ON/BEFORE 09/07/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
45	CULTURE AND RECREATION		
111950	ADVANCED DESIGN AWNINGS		420.00
112335	RYAN GUNDERSON		3,096.01
116950	AMERIPRIDE SERVICES INC	7,070.79	456.61
125900	BEST SERVICE	317.78	205.71
137310	CENTURY LINK	5,266.06	190.47
139030	CINTAS CORPORATION NO 2	7,698.24	91.65
147050	CONSOLIDATED TELEPHONE COMPANY	26,794.74	614.88
147600	EXELON CORPORATION	12,936.43	1,376.78
150100	D A L C O	6,121.35	43.50
179340	HAGENS GLASS & PAINT	8,401.48	461.00
180500	HAWKINS INC	48,304.76	505.32
183600	HORIZON COMMERCIAL POOL SUPPLY	299.04	10.97
207500	MANSFIELD ENERGY CORP	64,902.83	1,291.04
211400	MENARDS INC	2,730.64	147.34
217300	MIRACLE RECREATION EQUIPMENT	6,249.05	626.51
229500	NAPA AUTO PARTS	5,231.38	17.57
251100	R & R SPECIALTIES OF WISCONSIN		3,265.40
275450	TOLLERUD HEATING INC.		270.00
277550	TURFWERKS	1,628.74	175.26
289015	WELLS FARGO CREDIT CARD	63,261.36	412.51
	CULTURE AND RECREATION		13,678.53
46	COMMUNITY DEVELOPMENT		
139800	CLOQUET AREA CHAMBER OF COMMER	47,915.80	7,022.40
147050	CONSOLIDATED TELEPHONE COMPANY	26,794.74	58.83
234600	NORTHERN BUSINESS PRODUCTS	4,282.24	12.38
244975	PINE KNOT LLC	54,023.50	610.00
278600	TWIN PORT MAILING	28,454.38	39.06
279100	U S BANK EQUIPMENT FINANCE	5,314.95	47.11
	COMMUNITY DEVELOPMENT		7,789.78
LDO PROJECT FUND (EDA)			
46	COMMUNITY DEVELOPMENT		
171100	FRYBERGER, BUCHANAN, SMITH &	146,671.40	642.50
	COMMUNITY DEVELOPMENT		642.50

INVOICES DUE ON/BEFORE 09/07/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

FEDERAL CDBG LOAN (EDA)			
46	COMMUNITY DEVELOPMENT		
171100	FRYBERGER, BUCHANAN, SMITH &	146,671.40	1,928.11
	COMMUNITY DEVELOPMENT		1,928.11
LIBRARY FUND			
00			
142950	CLOQUET SHAW MEMORIAL	141.50	2.10
170975	FRIENDS OF THE CLOQUET LIBRARY	158.19	94.23
			96.33
45	CULTURE AND RECREATION		
110903	AFTERLIFE ELECTRONICS		38.00
113650	AMAZON.COM CREDIT	5,859.82	917.00
123400	BAKER & TAYLOR	12,239.91	972.07
136850	CENTER POINT LARGE PRINT	1,059.36	132.42
139025	CINTAS	3,271.81	33.19
139030	CINTAS CORPORATION NO 2	7,698.24	24.00
142800	CLOQUET SANITARY SERVICE	14,350.70	100.74
147050	CONSOLIDATED TELEPHONE COMPANY	26,794.74	595.74
150400	D E M C O	4,102.01	108.81
156800	DULUTH NEWS TRIBUNE	298.88	298.88
171800	GALE/CENGAGE LEARNING	1,087.18	130.90
174300	GLORY SHINE JANITORIAL CLEAN	10,500.00	1,050.00
187500	INGRAM LIBRARY SERVICES	862.41	184.29
211700	METRO SALES, INC.	6,902.31	155.30
234600	NORTHERN BUSINESS PRODUCTS	4,282.24	298.53
255000	RIVISTAS LLC		609.78
260950	SCHOLASTIC LIBRARY PUBLISHING	1.67	2.59
270200	SUPERIOR COMPUTER PRODUCTS INC	44,203.25	297.00
278550	TWIN PORTS PAPER & SUPPLY, INC	673.60	49.10
280925	UNIQUE MANAGEMENT SERVICES	491.40	28.35
281000	UNITED ELECTRIC COMPANY	1,278.07	109.30
284875	VERIZON WIRELESS	4,214.37	14.31
289015	WELLS FARGO CREDIT CARD	63,261.36	972.33
292300	WTS MEDIA		75.53
R0002092	IREAD		106.90
	CULTURE AND RECREATION		7,305.06

INVOICES DUE ON/BEFORE 09/07/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

PUBLIC WORKS RESERVE			
42	PUBLIC SAFETY		
R0002094	SOUND OF SIGNAL		7,312.04
	PUBLIC SAFETY		7,312.04
CITY SALES TAX CAPITAL			
81	SPECIAL PROJECTS		
128075	BRAUN INTERTEC CORP	5,677.50	1,042.50
128900	BROCK WHITE	280.86	71.46
211400	MENARDS INC	2,730.64	179.00
	SPECIAL PROJECTS		1,292.96
WATER - LAKE SUPERIOR WATERLIN			
51	STATION 2		
121000	ARROWHEAD SPRINGS INC	728.25	17.00
137310	CENTURY LINK	5,266.06	66.09
139030	CINTAS CORPORATION NO 2	7,698.24	24.30
180500	HAWKINS INC	48,304.76	2,323.85
288150	WASTE MANAGEMENT NORTHERN MN	253.37	63.32
289015	WELLS FARGO CREDIT CARD	63,261.36	67.43
	STATION 2		2,561.99
52	LAKE SUPERIOR WATERLINE		
139030	CINTAS CORPORATION NO 2	7,698.24	96.55
207500	MANSFIELD ENERGY CORP	64,902.83	839.46
259460	SAGINAW POWER & AUTOMATION	2,175.26	1,180.00
	LAKE SUPERIOR WATERLINE		2,116.01
WATER - IN TOWN SYSTEM			
00			
247730	PREMIER THREE DEVELOPERS		69.30
R0002095	CECELIA LEON		48.75
R0002096	TOM VAN REESE		17.10
R0002097	BOB & KAREN ATKINS		26.85
			162.00

INVOICES DUE ON/BEFORE 09/07/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

WATER - IN TOWN SYSTEM			
49	CLOQUET		
119700	ARROWHEAD CONCRETE WORKS, INC.	12,422.75	1,075.00
121250	THE JAMAR COMPANY	2,028.50	522.30
125900	BEST SERVICE	317.78	96.63
139025	CINTAS	3,271.81	42.14
139030	CINTAS CORPORATION NO 2	7,698.24	63.19
165375	FERGUSON WATERWORKS #2516	9,117.49	115.32
175700	GRAINGER	2,064.06	143.37
180500	HAWKINS INC	48,304.76	4,922.67
202100	LAWSON PRODUCTS INC	3,539.48	136.23
207500	MANSFIELD ENERGY CORP	64,902.83	1,028.71
211400	MENARDS INC	2,730.64	105.22
211645	METERING & TECHNOLOGY SOLUTION	2,463.52	939.05
236100	NORTHLAND CONSTRUCTORS	123,453.39	591.77
247400	396-PRAXAIR DISTRIBUTION, INC.	8,848.64	62.60
287800	WAL-MART COMMUNITY	847.04	37.73
	CLOQUET		9,881.93
54	BILLING & COLLECTION		
234600	NORTHERN BUSINESS PRODUCTS	4,282.24	54.50
278600	TWIN PORT MAILING	28,454.38	6,191.78
279100	U S BANK EQUIPMENT FINANCE	5,314.95	65.77
	BILLING & COLLECTION		6,312.05
57	ADMINISTRATION & GENERAL		
147050	CONSOLIDATED TELEPHONE COMPANY	26,794.74	411.09
211700	METRO SALES, INC.	6,902.31	43.17
234600	NORTHERN BUSINESS PRODUCTS	4,282.24	24.76
278600	TWIN PORT MAILING	28,454.38	78.12
289015	WELLS FARGO CREDIT CARD	63,261.36	185.00
	ADMINISTRATION & GENERAL		742.14
INTERPRISE FUND - SEWER			
00			
286900	W L S S D	608,700.50	-10,505.00
			-10,505.00

INVOICES DUE ON/BEFORE 09/07/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

ENTERPRISE FUND - SEWER			
55	SANITARY SEWER		
139025	CINTAS	3,271.81	28.09
139030	CINTAS CORPORATION NO 2	7,698.24	50.17
202100	LAWSON PRODUCTS INC	3,539.48	90.82
207500	MANSFIELD ENERGY CORP	64,902.83	625.85
247400	396-PRAXAIR DISTRIBUTION, INC.	8,848.64	41.74
286900	W L S S D	608,700.50	83,896.00
	SANITARY SEWER		84,732.67
57	ADMINISTRATION & GENERAL		
147050	CONSOLIDATED TELEPHONE COMPANY	26,794.74	177.09
211700	METRO SALES, INC.	6,902.31	43.17
234600	NORTHERN BUSINESS PRODUCTS	4,282.24	24.76
278600	TWIN PORT MAILING	28,454.38	78.12
	ADMINISTRATION & GENERAL		323.14
STORM WATER UTILITY			
59	OPERATIONS		
119700	ARROWHEAD CONCRETE WORKS, INC.	12,422.75	626.50
175700	GRAINGER	2,064.06	47.33
	OPERATIONS		673.83
CABLE TELEVISION			
45	CULTURE AND RECREATION		
270300	SWAGIT PRODUCTIONS, LLC	9,275.00	1,325.00
	CULTURE AND RECREATION		1,325.00
EMPLOYEE SEVERANCE			
45	EMPLOYEE VACATION & SICK		
152775	DELTA DENTAL OF MINNESOTA	26,737.10	150.10
	EMPLOYEE VACATION & SICK		150.10

DATE: 09/02/21
TIME: 10:41:25
ID: AP443000.WOW

CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

INVOICES DUE ON/BEFORE 09/07/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

CLOQUET AREA FIRE DISTRICT			
42	PUBLIC SAFETY		
207500	MANSFIELD ENERGY CORP	64,902.83	3,961.18
R0002082	FRANK CURTISS	100.00	550.86
R0002098	ANDY ANGELL		92.34
	PUBLIC SAFETY		4,604.38
	TOTAL ALL DEPARTMENTS		220,496.88



ADMINISTRATIVE OFFICES

101 14th Street Cloquet, MN 55720-1903
Phone: 218.879.3347 Fax: 218.879.6555
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Tim Peterson, City Administrator *TP*
Date: September 7, 2021

ITEM DESCRIPTION: Approval of Off-Site Gambling for Eagles Aerie #1163

Proposed Action

Staff recommends the City Council move to adopt **RESOLUTION NO. 21-42, A RESOLUTION APPROVING OFF-SITE GAMBLING FOR EAGLES AERIE #1163 TO CONDUCT A RAFFLE EVENT AT THE CLOQUET ARMORY.**

Background/Overview

The City has received an application from Eagles Aerie #1163, PO Box 2202, Cloquet, MN to conduct an off-site gambling event at the Cloquet Armory. The “Funganza” will be held on October 16, 2021 with proceeds going to Confidence Learning Center.

Eagles Aerie #1163 currently holds a premises permit for lawful gambling at Carmen’s and therefore needs City approval to conduct off-site gambling at the VFW for this raffle event.

Policy Objectives

Approval of application by local community is required under MN Statutes.

Financial/Budget/Grant Considerations

There is no cost to the City regarding the approval of the application nor does the City retain any fees for its consideration.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Resolution No. 21-42
- LG230 Application to Conduct Off-Site Gambling

08/01/21



To the Cloquet City Council,

The Cloquet Eagles respectfully asks your permission to conduct a “Funganza” fundraising dinner and raffle on Oct 16 2021 at the Cloquet Armory. The beneficiary of the raffle will be the Confidence Learning Center. The Minnesota Lawful Gambling Raffle Permit Application form is enclosed for your approval. Please let us know if you have any questions.

Thank you for your consideration.

Jason Smith
President Eagles Aerie 1163

LG230 Application to Conduct Off-Site Gambling

No Fee

ORGANIZATION INFORMATION

Organization Name: EAGLES AREA 1163 License Number: 00359
 Address: PO Box 2202 City: CLOQUET, MN Zip: 55720
 Chief Executive Officer (CEO) Name: JASON SMITH Daytime Phone: (218) 348-3906
 Gambling Manager Name: Wayne Polley Daytime Phone: (218) 879-7673

GAMBLING ACTIVITY

Twelve off-site events are allowed each calendar year not to exceed a total of 36 days.

From 10/16/21 to 10/16/21

Check the type of games that will be conducted:

- Raffle
 Pull-Tabs
 Bingo
 Tipboards
 Paddlewheel

GAMBLING PREMISES

Name of location where gambling activity will be conducted: CLOQUET ARMOY

Street address and City (or township): 801 MN Hwy 33 S Zip: 55720 County: CARLTON

- Do not use a post office box.
- If no street address, write in road designations (example: 3 miles east of Hwy. 63 on County Road 42).

Does your organization own the gambling premises?

Yes If yes, a lease is not required.

No If no, the lease agreement below must be completed, and signed by the lessor.

LEASE AGREEMENT FOR OFF-SITE ACTIVITY (a lease agreement is not required for raffles)

Rent to be paid for the leased area: \$ 100 (if none, write "0")

All obligations and agreements between the organization and the lessor are listed below or attached.

- Any attachments must be dated and signed by both the lessor and lessee.
- This lease and any attachments is the total and only agreement between the lessor and the organization conducting lawful gambling activities.
- Other terms, if any:

Lessor's Signature: [Signature] Date: 16 AUG 21

Print Lessor's Name: SFC Clifford P Comstock 879-0877

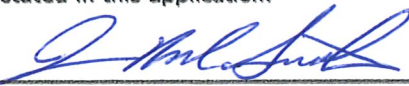
Acknowledgment by Local Unit of Government: Approval by Resolution

CITY APPROVAL for a gambling premises located within city limits	COUNTY APPROVAL for a gambling premises located in a township
City Name: _____ Date Approved by City Council: _____ Resolution Number: _____ (If none, attach meeting minutes.) Signature of City Personnel: _____ Title: _____ Date Signed: _____	County Name: _____ Date Approved by County Board: _____ Resolution Number: _____ (If none, attach meeting minutes.) Signature of County Personnel: _____ Title: _____ Date Signed: _____ TOWNSHIP NAME: _____ Complete below only if required by the county. On behalf of the township, I acknowledge that the organization is applying to conduct gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.213, Subd. 2.) Print Township Name: _____ Signature of Township Officer: _____ Title: _____ Date Signed: _____
<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> <p>Local unit of government must sign.</p> </div>	

CHIEF EXECUTIVE OFFICER (CEO) ACKNOWLEDGMENT

The person signing this application must be your organization's CEO and have their name on file with the Gambling Control Board. If the CEO has changed and the current CEO has not filed a LG200B Organization Officers Affidavit with the Gambling Control Board, he or she must do so at this time.

I have read this application, and all information is true, accurate, and complete and, if applicable, agree to the lease terms as stated in this application.


07/31/21

Signature of CEO (must be CEO's signature; designee may not sign) _____ Date _____

<p>Mail or fax to:</p> <p>Minnesota Gambling Control Board Suite 300 South 1711 West County Road B Roseville, MN 55113 Fax: 651-639-4032</p>	<p>No attachments required.</p> <p>Questions? Contact a Licensing Specialist at 651-539-1900.</p>
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This publication will be made available in alternative format (i.e. large print, braille) upon request.

<p>Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process your organization's application.</p> <p>Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public.</p>	<p>If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public.</p> <p>Private data about your organization are available to: Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney General; commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor; national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.</p>
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**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 21-42

**A RESOLUTION APPROVING APPLICATION TO CONDUCT
OFF-SITE GAMBLING FOR CLOQUET EAGLES AERIE 1163**

WHEREAS, The City of Cloquet received an application from the Cloquet Eagles Aerie 1163, to conduct off-site gambling for a raffle event on October 16, 2021.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the City Council has reviewed the application from the Cloquet Eagles Aerie 1163, to conduct off-site gambling for a raffle event on October 16, 2021, and has no objection to the Minnesota Gambling Control Board's issuance of such permit.

BE IT FURTHER RESOLVED, That the Cloquet City Council hereby waives the normally required thirty day waiting period for the issuance of said permit.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 7TH
DAY OF SEPTEMBER 2021.**

Roger Maki, Mayor

ATTEST:

Tim Peterson, City Administrator



ADMINISTRATIVE OFFICES

101 14th Street Cloquet, MN 55720-1903
Phone: 218.879.3347 Fax: 218.879.6555
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Tim Peterson, City Administrator *TP*
Date: September 7, 2021

ITEM DESCRIPTION: New Lawful Gambling Premises Permit Application for R.E.A.C.H., Inc., Pedro's Grill & Cantina

Propose Action

Staff recommends that the City Council move to adopt **RESOLUTION NO. 21-43, A RESOLUTION APPROVING NEW LAWFUL GAMBLING PREMISES PERMIT APPLICATION FOR R.E.A.C.H., INC.**

Background

The City has received a request from R.E.A.C.H., Inc. for a new Premises Permit for lawful gambling at Pedro's Grill & Cantina's new location at 7 - 8th Street.

No organization is permitted under City Code 6.7.03, Subd. 3(c) to have more than three (3) permitted establishments. This will be the second permit for R.E.A.C.H., they currently have one at Cloquet Bar & Lounge.

Policy Objectives

Approval of application by local community is required under MN Statutes.

Financial Impacts

The City does not charge a fee for the permit. Per Section 6.7.03, Subd. 1(b) of the Municipal Code, ten percent (10%) of the net profits from the operation of gambling equipment in the City by charitable organizations shall be donated to the City.

Advisory Committee/Commission Action

None.

Supporting Documents Attached

- Resolution No. 21-43
- LG214 & LG215

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 21-43

**A RESOLUTION APPROVING NEW LAWFUL GAMBLING
PREMISES PERMIT APPLICATION FOR
R.E.A.C.H., INC.**

WHEREAS, The City of Cloquet has received a request from R.E.A.C.H., INC., for a new Premises Permit for gambling at the Pedro's Grill & Cantina, 7 – 8th Street, Cloquet, MN.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the City Council has reviewed the application for R.E.A.C.H., Inc. seeking approval of a new Lawful Gambling Premises Permit at Pedro's Grill & Cantina, and has no objection to the Minnesota Gambling Control Board's issuance of such permit.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 7TH DAY OF SEPTEMBER 2021.**

Roger Maki, Mayor

ATTEST:

Tim Peterson, City Administrator

LG214 Premises Permit Application

Annual Fee \$150 (NON-REFUNDABLE)

REQUIRED ATTACHMENTS TO LG214

1. If the premises is leased, attach a copy of your lease. Use **LG215 Lease for Lawful Gambling Activity**.
2. \$150 annual premises permit fee, for each permit (non-refundable). Make check payable to "**State of Minnesota**."

Mail the application and required attachments to:
 Minnesota Gambling Control Board
 1711 West County Road B, Suite 300 South
 Roseville, MN 55113

Questions? Call 651-539-1900 and ask for Licensing.

ORGANIZATION INFORMATION

Organization Name: REACH Inc. License Number: 36413

Chief Executive Officer (CEO) Dakota Koski Daytime Phone: 218-499-4293

Gambling Manager: Doug Wolf Daytime Phone: _____

GAMBLING PREMISES INFORMATION

Current name of site where gambling will be conducted: Pedro's Grill and Cantina

List any previous names for this location:

Street address where premises is located: 7 8th Street
(Do not use a P.O. box number or mailing address.)

City: OR Township:	County:	Zip Code:
Cloquet	Carlton	55720

Does your organization own the building where the gambling will be conducted?
 Yes No **If no, attach LG215 Lease for Lawful Gambling Activity.**

A lease is not required if only a raffle will be conducted.

Is any other organization conducting gambling at this site? Yes No Don't know

Note: Bar bingo can only be conducted at a site where another form of lawful gambling is being conducted by the applying organization or another permitted organization. Electronic games can only be conducted at a site where paper pull-tabs are played.

Has your organization previously conducted gambling at this site? Yes No Don't know

GAMBLING BANK ACCOUNT INFORMATION; MUST BE IN MINNESOTA

Bank Name: Northwoods Credit Union Bank Account Number: 13756

Bank Street Address: 1702 Ave B City: Cloquet State: **MN** Zip Code: 55720

ALL TEMPORARY AND PERMANENT OFF-SITE STORAGE SPACES

Address (Do not use a P.O. box number):	City:	State:	Zip Code:
<u>NA</u>	_____	MN	_____
_____	_____	MN	_____
_____	_____	MN	_____

ACKNOWLEDGMENT BY LOCAL UNIT OF GOVERNMENT: APPROVAL BY RESOLUTION

<p>CITY APPROVAL for a gambling premises located within city limits</p> <p>City Name: <u>Cloquet</u></p> <p>Date Approved by City Council: _____</p> <p>Resolution Number: _____ (If none, attach meeting minutes.)</p> <p>Signature of City Personnel: _____</p> <p>Title: _____ Date Signed: _____</p> <div style="border: 1px solid black; padding: 10px; text-align: center; margin: 20px auto; width: 80%;"> <p>Local unit of government must sign.</p> </div>	<p>COUNTY APPROVAL for a gambling premises located in a township</p> <p>County Name: _____</p> <p>Date Approved by County Board: _____</p> <p>Resolution Number: _____ (If none, attach meeting minutes.)</p> <p>Signature of County Personnel: _____</p> <p>Title: _____ Date Signed: _____</p> <p>TOWNSHIP NAME: _____</p> <p>Complete below only if required by the county. On behalf of the township, I acknowledge that the organization is applying to conduct gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.213, Subd. 2.)</p> <p>Print Township Name: _____</p> <p>Signature of Township Officer: _____</p> <p>Title: _____ Date Signed: _____</p>
---	---

ACKNOWLEDGMENT AND OATH

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. I hereby consent that local law enforcement officers, the Board or its agents, and the commissioners of revenue or public safety and their agents may enter and inspect the premises. 2. The Board and its agents, and the commissioners of revenue and public safety and their agents, are authorized to inspect the bank records of the gambling account whenever necessary to fulfill requirements of current gambling rules and law. 3. I have read this application and all information submitted to the Board is true, accurate, and complete. 4. All required information has been fully disclosed. 5. I am the chief executive officer of the organization. | <ol style="list-style-type: none"> 6. I assume full responsibility for the fair and lawful operation of all activities to be conducted. 7. I will familiarize myself with the laws of Minnesota governing lawful gambling and rules of the Board and agree, if licensed, to abide by those laws and rules, including amendments to them. 8. Any changes in application information will be submitted to the Board no later than ten days after the change has taken effect. 9. I understand that failure to provide required information or providing false or misleading information may result in the denial or revocation of the license. 10. I understand the fee is non-refundable regardless of license approval/denial. |
|--|---|

Signature of Chief Executive Officer (designee may not sign) Date

<p>Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process your organization's application. Your organization's name and address will be public</p>	<p>information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to: Board members, Board staff whose work requires access to the information;</p>	<p>Minnesota's Department of Public Safety, Attorney General, Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.</p>
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This form will be made available in alternative format, i.e. large print, braille, upon request.

LG215 Lease for Lawful Gambling Activity

LEASE INFORMATION

Organization: REACH Inc.	License/Site Number: 36413-011	Daytime Phone: 218-499-4293
Address: 1001 Stanley Ave, Suite 200	City: Cloquet	State: Zip: MN 55720
Name of Leased Premises: Pedro's Grill & Cantina	Street Address: 7 8th St	
City: Cloquet	State: Zip: MN 55720	Daytime Phone: 218-879-7171
Name of Legal Owner: Erika Aranda	Business/Street Address: 7 8th St	
City: Cloquet	State: Zip: MN 55720	Daytime Phone: 218-879-7171
Name of Lessor (if same as legal owner, write "SAME"): SAME	Address:	
City:	State: Zip:	Daytime Phone:

Check applicable item:
 New or amended lease. Effective date: 9-1-2021. Submit changes at least ten days **before** the effective date of the change.
 New owner. Effective date: _____. Submit new lease **within** ten days after new lessor assumes ownership.

CHECK ALL ACTIVITY THAT WILL BE CONDUCTED (no lease required for raffles)

<input checked="" type="checkbox"/> Pull-Tabs (paper)	<input checked="" type="checkbox"/> Electronic Pull-Tabs
<input checked="" type="checkbox"/> Pull-Tabs (paper) with dispensing device	<input checked="" type="checkbox"/> Electronic Linked Bingo
<input type="checkbox"/> Bar Bingo <input type="checkbox"/> Bingo	Electronic games may only be conducted:
<input checked="" type="checkbox"/> Tipboards	1. at a premises licensed for the on-sale of intoxicating liquor or the on-sale of 3.2% malt beverages; or
<input checked="" type="checkbox"/> Paddlewheel <input type="checkbox"/> Paddlewheel with table	2. at a premises where bingo is conducted as the primary business and has a seating capacity of at least 100.

PULL-TAB, TIPBOARD, AND PADDLEWHEEL RENT (separate rent for booth and bar ops)

BOOTH OPERATION: Some or all sales of gambling equipment are conducted by an employee/volunteer of a licensed organization at the leased premises.

ALL GAMES, including electronic games: Monthly rent to be paid: _____%, not to exceed **10%** of gross profits for that month.

- Total rent paid from all organizations for only booth operations at the leased premises **may not exceed \$1,750.**
- The rent cap does not include BAR OPERATION rent for electronic games conducted by the lessor.

BAR OPERATION: All sales of gambling equipment conducted by the lessor or lessor's employee.

ELECTRONIC GAMES: Monthly rent to be paid: 15%, not to exceed **15%** of the gross profits for that month from electronic pull-tab games and electronic linked bingo games.

ALL OTHER GAMES: Monthly rent to be paid: 15%, not to exceed **20%** of gross profits from all other forms of lawful gambling.

- If any booth sales conducted by a licensed organization at the premises, rent may not exceed **10%** of gross profits for that month and is subject to booth operation **\$1,750** cap.

BINGO RENT (for leased premises where bingo is the primary business conducted, such as bingo hall)

Bingo rent is limited to one of the following:

- Rent to be paid: _____%, not to exceed **10%** of the monthly gross profit from all lawful gambling activities held during bingo occasions, excluding bar bingo.
- OR -
- Rate to be paid: \$ _____ per square foot, not to exceed 110% of a comparable cost per square foot for leased space, as approved by the director of the Gambling Control Board. The lessor must attach documentation, verified by the organization, to confirm the comparable rate and all applicable costs to be paid by the organization to the lessor.
 - ⇒ **Rent may not be paid for bar bingo.**
 - ⇒ Bar bingo does not include bingo games linked to other permitted premises.

LEASE TERMINATION CLAUSE (must be completed)

The lease may be terminated by either party with a written 30 day notice. Other terms:

LG215 Lease for Lawful Gambling Activity

Lease Term: The term of this agreement will be concurrent with the premises permit issued by the Gambling Control Board (Board).

Management: The owner of the premises or the lessor will not manage the conduct of lawful gambling at the premises. The organization may not conduct any activity on behalf of the lessor on the leased premises.

Participation as Players Prohibited: The lessor will not participate directly or indirectly as a player in any lawful gambling conducted on the premises. The lessor's immediate family and any agents or gambling employees of the lessor will not participate as players in the conduct of lawful gambling on the premises, except as authorized by Minnesota Statutes, Section 349.181.

Illegal Gambling: The lessor is aware of the prohibition against illegal gambling in Minnesota Statutes 609.75, and the penalties for illegal gambling violations in Minnesota Rules 7865.0220, Subpart 3. In addition, the Board may authorize the organization to withhold rent for a period of up to 90 days if the Board determines that illegal gambling occurred on the premises or that the lessor or its employees participated in the illegal gambling or knew of the gambling and did not take prompt action to stop the gambling. Continued tenancy of the organization is authorized without payment of rent during the time period determined by the Board for violations of this provision, as authorized by Minnesota Statutes, Section 349.18, Subd. 1(a).

To the best of the lessor's knowledge, the lessor affirms that any and all games or devices located on the premises are not being used, and are not capable of being used, in a manner that violates the prohibitions against illegal gambling in Minnesota Statutes, Section 609.75.

Notwithstanding Minnesota Rules 7865.0220, Subpart 3, an organization must continue making rent payments under the terms of this lease, if the organization or its agents are found to be solely responsible for any illegal gambling, conducted at this site, that is prohibited by Minnesota Rules 7861.0260, Subpart 1, item H, or Minnesota Statutes, Section 609.75, unless the organization's agents responsible for the illegal gambling activity are also agents or employees of the lessor.

The lessor must not modify or terminate the lease in whole or in part because the organization reported, to a state or local law enforcement authority or to the Board, the conduct of illegal gambling activity at this site in which the organization did not participate.

Other Prohibitions: The lessor will not impose restrictions on the organization with respect to providers (distributor or linked bingo game provider) of gambling-related equipment and services or in the use of net profits for lawful purposes.

The lessor, the lessor's immediate family, any person residing in the same residence as the lessor, and any agents or employees of the lessor will not require the organization to perform any action that would violate statute or rule. The lessor must not modify or terminate this lease in whole or in part due to the lessor's violation of this provision. If there is a dispute as to whether a violation occurred, the lease will remain in effect pending a final determination by the Compliance Review Group (CRG) of the Board. The lessor agrees to arbitration when a violation of this provision is alleged. The arbitrator shall be the CRG.

Access to Permitted Premises: Consent is given to the Board and its agents, the commissioners of revenue and public safety and their agents, and law enforcement personnel to enter and inspect the permitted premises at any reasonable time during the business hours of the lessor. The organization has access to the premises during any time reasonable and when necessary for the conduct of lawful gambling.

Lessor Records: The lessor must maintain a record of all money received from the organization, and make the record available to the Board and its agents, and the commissioners of revenue and public safety and their agents upon demand. The record must be maintained for 3-1/2 years.

Rent All-Inclusive: Amounts paid as rent by the organization to the lessor are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including but not limited to:

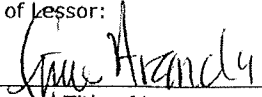
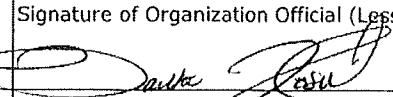
- trash removal
- electricity, heat
- snow removal
- storage
- janitorial and cleaning services
- other utilities or services
- lawn services
- security, security monitoring
- cost of any communication network or service required to conduct electronic pull-tabs games or electronic bingo
- in the case of bar operations, cash shortages.

Any other expenditures made by an organization that is related to a leased premises must be approved by the director of the Board. Rent payments may not be made to an individual.

ACKNOWLEDGMENT OF LEASE TERMS

I affirm that this lease is the total and only agreement between the lessor and the organization, and that all obligations and agreements are contained in or attached to this lease and are subject to the approval of the director of the Gambling Control Board.

Other terms of the lease:

Signature of Lessor: 	Date: 08/10/2021	Signature of Organization Official (Lessee): 	Date: 8/10/2021
Print Name and Title of Lessor: Erika Arandj, Owner	Print Name and Title of Lessee: Dakota Koski, Executive Director		

Questions? Contact the Licensing Section, Gambling Control Board, at 651-539-1900. This publication will be made available in alternative format (i.e. large print, braille) upon request. **Data privacy notice:** The information requested on this form and any attachments will become public information when received by the Board, and will be used to determine your compliance with Minnesota statutes and rules governing lawful gambling activities.

Mail or fax lease to:
 Minnesota Gambling Control Board
 1711 W. County Road B, Suite 300 South
 Roseville, MN 55113
 Fax: 651-639-4032



ADMINISTRATIVE OFFICES

101 14th Street Cloquet, MN 55720-1903
Phone: 218.879.3347 Fax: 218.879.6555
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Tim Peterson, City Administrator *TP*
Date: September 7, 2021

ITEM DESCRIPTION: Lumberjack Lounge, LLC - Optional 2 AM Liquor License Renewal

Proposed Action

Staff recommends the City Council move to approve the renewal of the Optional 2 AM Liquor License for Lumberjack Lounge LLC, 1016 Cloquet Avenue.

Background/Overview

The City has three establishments licensed with the Optional 2 AM Liquor license. The license is issued by the State but must first be approved by the City. The Optional 2 AM Liquor licenses expire at various times throughout the year, the Lumberjack Lounge's license expires October 1, 2021.

Policy Objectives

M.S. 340A.504, Subd. 7 allows for the sale of intoxicating liquor between the hours of 1:00 a.m. and 2:00 a.m. Section 6.2.10, Subd. 4 of Municipal Code also addresses the sale between these hours.

Financial/Budget/Grant Considerations

Currently the City charges no local fees for this license. The fee is based strictly upon the statutory obligations.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Optional 2 AM Renewal Application



Minnesota Department of Public Safety
 Alcohol & Gambling Enforcement Division
 445 Minnesota Street, 1600
 St Paul, Minnesota 55101
 651-201-7507

Renewal for 2am License/Permit

License/Permit Type: 2AM-500K+
 Permit Number: 26173

Expiration Date: 10/1/2021
 Business Telephone: 2188795939

DBA: Lumberjack Lounge
 Lumberjack Lounge LLC
 1016 Cloquet Ave
 Cloquet, MN 55720

Business Location
 1016 Cloquet Ave
 Cloquet

If any of the above licensee information is not correct, please make corrections as necessary.

Licensee must report previous 12 month on sale alcoholic beverage gross receipts by checking one of the boxes below. Next to the box you check is your 2 AM license fee. Make check payable to: Alcohol and Gambling Enforcement Division (AGED). Mail this application and check to address listed below.

- \$300 2 AM license fee - Up to \$100,000 in on sale gross receipts for alcoholic beverages
- \$750 2 AM license fee - Over \$100,000, but not over \$500,000 in on sale gross receipts for alcoholic beverages
- \$1000 2 AM license fee - Over \$500,000 in on sale gross receipts for alcoholic beverages
- \$200 2 AM license fee - 3.2% On Sale Malt Liquor licensees or Set Up license holders
- \$200 2 AM license fee - Did not sell alcoholic beverages for a full 12 months prior to this application

Yes No Does the city or county that issues your liquor license allow the sale of alcoholic beverages until 2 AM?

City Clerk/County Auditor Signature _____ Date _____

(I certify that the city or county of _____ approves the sale of alcoholic beverages until 2AM)

Licensee Signature *Al Bailey*
 (I certify that I have answered the above questions truthfully and correctly)

Date 8/10/21

Licensee Minnesota Tax ID Number (Required): _____ NOT FEDERAL TAX ID

Licensee: Prior to submitting this application to the Alcohol & Gambling Enforcement Division you must have this form signed by your local city or county licensing official



ADMINISTRATIVE OFFICES

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Phone: 218.879.3347 Fax: 218.879.6555
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Tim Peterson, City Administrator TCP
Date: September 7, 2021

ITEM DESCRIPTION: Consideration of Citizens Advisory Board Appointment

Proposed Action

The City Council is asked to consider and appoint Michelle Pederson to the Citizens Advisory Board to fill the current vacancy.

Background/Overview

The Citizens Advisory Board has had a vacancy since the term expiration of Patty Petite on December 31, 2020. Staff has advertised and posted the vacancy through the Pine Knot News and city website since December and Ms. Pederson is the only application of interest received. If appointed, Ms. Pederson's term will expire on December 31, 2023.

Policy Objectives

The Citizen Advisory Board shall consist of three (3) members who shall be appointed by the Mayor, subject to confirmation by the Council. Members shall be residents of the City.

Section 4.3 of City Code guides the purpose of the Commission and the various rules and procedures detailed in the police department procedure manual explain its role in more depth.

Financial/Budget/Grant Considerations

None.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Application



ADMINISTRATIVE OFFICES

101 - 14th Street, Cloquet MN 55720
 Phone: 218-879-3347 Fax: 218-879-6555
 www.cloquetmn.gov
 email: kstarnold@cloquetmn.gov

**Application for Appointment to
 Advisory Boards and Commissions**

Name: Michelle Pederson		Date: 8/25/21
Address		
Email: myshell1969@yahoo.com		
Home Phone:	Work Phone:	Cell Phone:
How long have you lived in Cloquet? 6/21 & 2009-2012	Years/Months: 3 years/3 months	Which Ward? 5
What Cloquet community activities have you been involved in? Since our family moved back to Cloquet area recently, I am looking to get more involved in community activities. Our family has participated in attending many community activities including 4th of July Activities, attending Car Shows and Parades and patronizing local restaurants, shops, and banks.		
Please describe any previous experience you have which is similar to serving on a volunteer Advisory Board/Commission. I had previously been on the YWCA Board in Duluth area. Also, I have been involved in reviewing and making recommendations for Grant Applications for Domestic Violence Programs in the State of MN.		
Do you have a preferred Board/Commission that you are interested in serving on?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If yes, fill in the name of Board/Commission: Citizen's Review Board		
Would you consider an alternate appointment?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If yes, which one? Parks Commission		
Please describe any schedule conflicts with the regular meeting schedules for the Board/Commissions i.e., routine travel, work schedules and the like. My main employment is M-F business hours and that is flexible if needed.		
Why do you wish to be on a Board/Commission? Be more involved in my community adding a positive and thoughtful presence. I would like to intentionally become more aware of community issues and make a difference in outcomes that are good for our community, families and City workers.		
Please describe any other relevant information you would like us to know. In my background, I have an AA in Law Enforcement completing the MN State Skills for LE and have worked in Corrections locally in Duluth. For the past 9 years, my job is Child Protection Worker in SLC, and have experience in Supportive Housing and Domestic Violence Programs. With all of this experience in different areas of human services, I've also earned a MSW from UMD. I feel I could be a strength for this committee and bring a plethora of knowledge and experience that could benefit the committee.		

*** Attach Additional Sheets, if necessary ***



ADMINISTRATIVE OFFICES

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Phone: 218.879.3347 Fax: 218.879.6555
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: James Barclay, Asst City Administrator & HR Director
Reviewed by: Tim Peterson, City Administrator TCP
Date: September 7, 2021

ITEM DESCRIPTION: Finance Director Appointment

Requested Action

Staff recommends the City Council move to appoint Joshua Bailey to the position of Finance Director.

Background/Overview

With the announcement of the City's current Finance Director's retirement, staff completed all of its due diligence and posted the position vacancy with a number of organizations. The City received 5 applications of interest and the hiring committee conducted interviews with 3 candidates.

Through the interview process, the City identified Joshua Bailey as its top candidate who has accepted the City's preliminary offer of employment, subject to City Council approval. This candidate is currently the City Auditor for the city of Duluth. He has served the City of Duluth since 2008. Prior to that, Mr. Bailey as a Local Government Auditor for 7 years and the Chief Accountant for Itasca County for 2 years.

Policy Objectives

Keeping a fully staffed department is consistent with the service level directives of the City Council. The City Council is the hiring authority for the City as determined by City Code and State law. The City Council must act to appoint this individual to complete the hiring process.

Financial/Budget/Grant Considerations

This position is currently fully funded as part of the adopted 2021 operating budget.

Advisory Committee/Commission Action

None

Supporting Documentation Attached

None



ADMINISTRATIVE OFFICES

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www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and City Council
From: Tim Peterson, City Administrator TCP
Date: September 6, 2021

ITEM DESCRIPTION: 2022 Preliminary Budget Review

Proposed Action

Review and discuss the proposed 2022 budget.

Background/Overview

Staff began reviewing the proposed 2022 budget in June, working within each of their departments to examine previous years actuals along with future years goals. After their internal discussions, department heads met with the Finance Director and me to begin drafting the preliminary budget. Within your packet you will find these proposed budget summaries and detailed reports.

For this initial review, some important items to note are:

- Proposed Local Government Aid (LGA) increase is \$46,100
- Carlton County Assessors office preliminary estimate of Cloquet's taxable market value increased by 4.49%
 - Increased value of existing and new construction
- Preliminary levy increase is 3.49% (\$109,400)
 - General Operations - \$180,250
 - Public Works Reserve – (\$85,000)
- Assumptions needed to be made regarding health insurance increases (5%), as well as wage increases.
 - Contract negotiations completed in 2020
- Potential retirements in key positions are planned, so funding was including for an overlap of staff to allow training
- Election budget amounts were added back in from 2021, cost of \$25,700
- Police Department expenditure increases total \$253,000
 - Workers Compensation increases are an increase of \$118,000
 - Disability Health Insurance increases were over \$20,000
 - The remainder is due to full staffing and normal contractual wage increases
- Overall Workers Compensation increases totaled \$170,000
- Sales Tax Projects include the second portion of 14th Street, potential J-Turn along Highway 33, and utility extension projects in the Antus Addition.
- Revolving Capital projects include State Aid funded projects and a possible grant opportunity for a streetscape project

- American Rescue Plan funding is included in the 2022 and beyond budgets
 - \$230,000 in General Fund revenue loss is budgeted to be recouped
 - \$300,000 in Broadband Internet funding is included
 - This is also reflected in the Community Development expenditure budget
 - Overall increases of \$596,100 in intergovernmental revenue is almost entirely made up of these items
 - Additional review of ARP funds will continue in 2022 and future years.

- Council Requested Items - DISCUSSION
 - Cameras in parks
 - Library staff and funding
 - Others

Supporting Documentation Attached

- 2021 Budget Documents

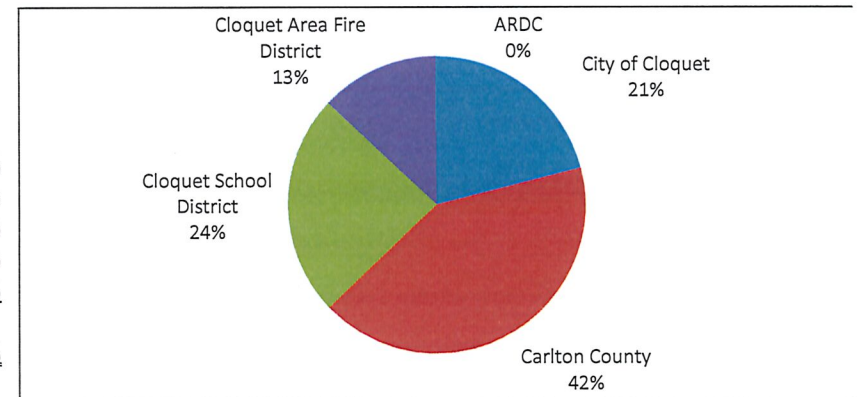
**City of Cloquet
Tax Levy Summary
2019 Actual Through 2025 Planning**

	<u>Levied 2019</u>	<u>Levied 2020</u>	<u>Levied 2021</u>	<u>Proposed 2022</u>	<u>Planning 2023</u>	<u>Planning 2024</u>	<u>Planning 2025</u>
General	\$ 2,231,500	\$ 2,135,350	\$ 2,181,950	\$ 2,362,200	\$ 2,504,300	\$ 2,520,300	\$ 2,690,300
Library	400,000	400,000	400,000	415,000	430,000	445,000	460,000
GO Swimming Pond Debt	110,000	110,000	110,000	105,750	109,250	107,350	110,700
GO Facilities Debt-Library	-	102,650	98,850	102,250	100,200	98,150	102,000
GO Facilities Debt-PW	-	-	-	-	-	-	-
Permanent Improvement	-	-	-	-	-	-	-
Public Works Reserve	250,000	295,000	340,000	255,000	210,000	330,000	410,000
Tax Levy	<u>\$ 2,991,500</u>	<u>\$ 3,043,000</u>	<u>\$ 3,130,800</u>	<u>\$ 3,240,200</u>	<u>\$ 3,353,750</u>	<u>\$ 3,500,800</u>	<u>\$ 3,773,000</u>
Levy Change (+/-)	-1.50%	1.72%	2.89%	3.49%	3.50%	4.38%	7.78%

Property Tax Rates

	<u>2019</u>	<u>2020</u>	<u>Prior Year 2021</u>
City of Cloquet	39.606%	39.093%	39.484%
Carlton County	79.432%	81.040%	78.676%
Cloquet School District	46.752%	45.921%	45.562%
Cloquet Area Fire District	21.956%	23.686%	24.195%
ARDC	<u>0.175%</u>	<u>0.181%</u>	<u>0.176%</u>
Total Direct and Overlapping	<u>187.921%</u>	<u>189.921%</u>	<u>188.093%</u>

Prior Year - 2021 Property Taxes



City of Cloquet
Summary Comparison of All Funds Expenditures & Financing Uses
2019 Actual Through 2025 Planning

FUND		2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2022 PROPOSED	2023 PLANNING	2024 PLANNING	2025 PLANNING	('22 to '21 BUDGET)		
Description	No								Dollars	%	
General											
Total General Fund		101	9,228,220	7,514,497	7,840,800	8,596,500	8,462,000	8,688,400	8,923,950	755,700	9.64%
Special Revenue Funds											
LDO Loan (EDA)	201	-	-	2,200	2,200	2,200	2,200	2,200	2,200	-	-
Federal CDBG Loan (EDA)	202	-	162,713	42,500	17,500	17,500	17,500	17,500	17,500	(25,000)	-58.82%
Economic Develoment Loan (City)	203	7,135	-	3,500	2,000	2,000	2,000	2,000	2,000	(1,500)	-42.86%
Revolving SCGP (EDA)	206	239	24,497	10,000	10,000	10,000	10,000	10,000	10,000	-	-
Library	211	629,966	625,302	686,700	738,250	754,800	771,900	790,350	790,350	51,550	7.51%
Tax Increment - Trails Edge	215	-	-	-	12,500	33,500	33,500	33,500	33,500	12,500	100.00%
Tax Increment - Daqota	220	6,493	57,450	-	-	-	-	-	-	-	-
Tax Increment - 14th St Apartments	221	29,040	22,634	41,650	58,300	58,300	58,300	58,300	58,300	16,650	39.98%
Tax Increment - Oakwood Estates	222	97,940	53,180	55,000	55,000	55,000	55,000	55,000	55,000	-	-
Tax Increment - Patio Homes	223	-	48,699	55,000	55,000	55,000	55,000	55,000	55,000	-	-
Landfill Host Fee	260	113,423	25,593	15,000	15,000	15,000	15,000	15,000	15,000	-	-
Cable TV	614	156,011	58,743	117,500	112,500	110,000	107,500	107,500	107,500	(5,000)	-4.26%
Total Special Revenue			1,040,248	1,078,811	1,029,050	1,078,250	1,113,300	1,127,900	1,146,350	49,200	4.78%
Debt Service Funds											
Business Park Bonds	368	978,666	-	-	-	-	-	-	-	-	-
Swimming Pond Bonds	370	99,748	103,823	102,900	101,800	100,400	103,650	101,850	101,850	(1,100)	-1.07%
City Sales Tax Bonds	372	547,615	547,715	542,750	547,300	546,500	545,500	544,000	544,000	4,550	0.84%
Facilities Bonds	374	-	25,329	90,500	93,800	96,900	95,000	94,000	94,000	3,300	3.65%
Total Debt Service			1,626,028	676,867	736,150	742,900	743,800	744,150	739,850	6,750	0.92%
Capital Project Funds											
Permanent Improvement	225	442,873	24,092	31,000	6,500	776,500	6,500	862,000	862,000	(24,500)	-79.03%
Public Facilities Planning	224	47,846	-	-	-	-	-	-	-	-	-
Public Works Reserve	231	361,576	603,731	526,000	294,000	292,000	482,000	542,000	542,000	(232,000)	-44.11%
Revolving Capital Projects	403	3,182,123	1,535,040	-	865,000	770,000	1,903,000	390,500	390,500	865,000	100.00%
City Sales Tax Projects	405	1,737,461	3,444,837	1,607,750	2,603,800	716,249	545,500	544,000	544,000	996,050	61.95%
Total Capital Project Funds			5,771,879	5,607,700	2,164,750	3,769,300	2,554,749	2,937,000	2,338,500	1,604,550	74.12%
Total Governmental Funds			17,666,375	14,877,874	11,770,750	14,186,950	12,873,849	13,497,450	13,148,650	2,416,200	20.53%
Internal Service											
Employee Severance Benefits	701	3,107	55,838	5,000	30,000	30,000	30,000	30,000	30,000	25,000	500.00%
Total Internal Service			3,107	55,838	5,000	30,000	30,000	30,000	30,000	25,000	500.00%
Enterprise Funds											
Water - Lake Superior Waterline	600	2,777,169	2,291,441	2,778,800	2,772,550	2,722,300	2,747,850	2,774,500	2,774,500	(6,250)	-0.22%
Water - In Town System	601	1,441,989	1,547,948	2,291,550	2,275,170	2,315,200	2,281,750	2,706,850	2,706,850	(16,380)	-0.71%
Sewer Utility	602	1,831,548	1,792,102	2,056,150	1,749,450	1,913,150	1,868,400	2,100,300	2,100,300	(306,700)	-14.92%
Stormwater Utility	605	261,834	296,412	531,800	314,300	1,030,250	339,200	348,950	348,950	(217,500)	-40.90%
Total Enterprise Funds			6,312,540	5,927,904	7,658,300	7,111,470	7,980,900	7,237,200	7,930,600	(546,830)	-7.14%
Total Proprietary Funds			6,315,647	5,983,742	7,663,300	7,141,470	8,010,900	7,267,200	7,960,600	(521,830)	-6.81%
GRAND TOTAL ALL FUNDS			23,982,022	20,861,616	19,434,050	21,328,420	20,884,749	20,764,650	21,109,250	1,894,370	9.75%

City of Cloquet
Summary Comparison of All Funds Revenues & Financing Sources
2019 Actual through 2025 Planning

FUND		2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2022 PROPOSED	2023 PLANNING	2024 PLANNING	2025 PLANNING	('22 to '21 BUDGET)		
Description	No								Dollars	Percent	
General											
Total General Fund		101	7,923,311	8,395,736	7,840,800	8,597,500	8,462,700	8,689,600	8,848,050	756,700	9.65%
Special Revenue Funds											
LDO Loan (EDA)		201	7,594	151,369	33,000	46,850	42,450	36,150	36,150	13,850	41.97%
Federal CDBG Loan (EDA)		202	25,100	11,300	10,000	10,000	10,000	10,000	10,000	-	-
Economic Development Loan (City)		203	146,724	1,216	11,700	11,550	11,550	11,550	11,550	(150)	-1.28%
Revolving SCGP (EDA)		206	22,941	7,902	8,000	8,000	7,600	3,400	-	-	-
Library		211	618,939	633,023	627,000	644,000	659,000	674,000	689,000	17,000	2.71%
Tax Increment - Trails Edge		215	-	-	-	25,000	33,500	33,500	33,500	25,000	100.00%
Tax Increment - Daqota		220	-	57,450	-	-	-	-	-	-	-
Tax Increment - 14th St Apartments		221	22,635	22,634	41,650	58,300	58,300	58,300	58,300	16,650	39.98%
Tax Increment - Oakwood Estates		222	53,157	53,180	55,000	55,000	55,000	55,000	55,000	-	-
Tax Increment - Patio Homes		223	29,802	35,591	55,000	55,000	55,000	55,000	55,000	-	-
Landfill Host Fee		260	86,790	86,927	65,000	65,000	65,000	65,000	65,000	-	-
Cable TV		614	101,778	97,322	103,000	103,000	103,000	103,000	103,000	-	-
Total Special Revenue			1,115,459	1,157,914	1,009,350	1,081,700	1,100,400	1,104,900	1,116,500	72,350	7.17%
Debt Service Funds											
Business Park Bonds		368	-	-	-	-	-	-	-	-	-
Swimming Pond Bonds		370	110,909	111,128	110,000	105,750	109,250	107,350	110,700	(4,250)	-3.86%
City Sales Tax Bonds		372	547,750	547,850	542,750	547,300	546,500	545,500	544,000	4,550	0.84%
Facilities Bonds		374	-	109,496	98,850	102,250	100,200	98,150	102,000	3,400	3.44%
Total Debt Service			658,659	768,474	751,600	755,300	755,950	751,000	756,700	3,700	0.49%
Capital Project Funds											
Permanent Improvement		225	526,248	191,774	105,000	330,000	555,000	555,000	555,000	225,000	214.29%
Public Facilities Planning		224	-	-	-	-	-	-	-	-	-
Public Works Reserve		231	263,897	591,674	501,000	290,000	300,000	481,250	544,500	(211,000)	-42.12%
Revolving Capital Projects		403	3,909,629	807,533	-	865,000	770,000	1,903,000	390,500	865,000	100.00%
City Sales Tax Projects		405	1,078,540	1,151,868	915,000	1,015,000	1,015,000	1,015,000	1,015,000	100,000	10.93%
Total Capital Project Funds			5,778,314	2,742,849	1,521,000	2,500,000	2,640,000	3,954,250	2,505,000	979,000	64.37%
Total Governmental Funds			15,475,743	13,064,972	11,122,750	12,934,500	12,959,050	14,499,750	13,226,250	1,811,750	16.29%
Internal Service Fund											
Employee Severance Benefits		701	227,770	10,776	10,000	10,000	10,000	10,000	10,000	-	-
Total Internal Service			227,770	10,776	10,000	10,000	10,000	10,000	10,000	-	-
Enterprise Funds											
Water Lake Superior Waterline		600	2,373,975	2,763,825	2,700,000	2,765,000	2,765,000	2,765,000	2,765,000	65,000	2.41%
Water In-Town		601	2,359,079	1,818,394	1,850,000	2,016,100	2,128,000	2,267,000	2,404,000	166,100	8.98%
Sewer Utility		602	1,916,992	1,834,197	1,879,000	1,967,000	2,059,000	2,147,000	2,238,000	88,000	4.68%
Stormwater Utility		605	375,131	330,526	372,000	332,000	332,000	332,000	332,000	(40,000)	-10.75%
Total Enterprise Funds			7,025,177	6,746,943	6,801,000	7,080,100	7,284,000	7,511,000	7,739,000	279,100	4.10%
Total Proprietary Funds			7,252,947	6,757,718	6,811,000	7,090,100	7,294,000	7,521,000	7,749,000	279,100	4.10%
GRAND TOTAL ALL FUNDS			22,728,689	19,822,690	17,933,750	20,024,600	20,253,050	22,020,750	20,975,250	2,090,850	11.66%

City of Cloquet
All Funds Revenues & Expenditures/Expenses Summary
2022 Budget

Revenues by Source for 2022

FUND		Property Taxes	Other Taxes	Intergovt	Charges	All Others*	Transfers In	Revenues	
Description	No								
Total General Fund		101	2,362,200	55,000	3,917,100	463,500	706,750	1,092,950	8,597,500
Special Revenue Funds									
LDO Loan (EDA)	201	-	-	-	-	46,850	-	-	46,850
Federal CDBG Loan (EDA)	202	-	-	-	-	10,000	-	-	10,000
Economic Development Loan (City)	203	-	-	-	-	11,550	-	-	11,550
Revolving SCDP (EDA)	206	-	-	-	-	8,000	-	-	8,000
Library	211	415,000	-	-	22,000	7,000	200,000	-	644,000
Tax Increment - Trails Edge	215	-	25,000	-	-	-	-	-	25,000
Tax Increment - Daqota	220	-	-	-	-	-	-	-	-
Tax Increment - 14th Street Apart.	221	-	58,300	-	-	-	-	-	58,300
Tax Increment - Oakwood Estates	222	-	55,000	-	-	-	-	-	55,000
Tax Increment - Patio Homes	223	-	55,000	-	-	-	-	-	55,000
Landfill Host Fee	260	-	-	-	-	65,000	-	-	65,000
Cable TV	614	-	103,000	-	-	-	-	-	103,000
Total Special Revenue			415,000	296,300	22,000	148,400	200,000	-	1,081,700
Debt Service Funds									
Business Park Bonds	368	-	-	-	-	-	-	-	-
Swimming Pond Bonds	370	105,750	-	-	-	-	-	-	105,750
City Sales Tax Bonds	372	-	-	-	-	-	547,300	-	547,300
Facility Bonds	374	102,250	-	-	-	-	-	-	102,250
Total Debt Service			208,000	-	-	-	547,300	-	755,300
Capital Project Funds									
Permanent Improvement	225	-	-	-	-	330,000	-	-	330,000
Facilities Planning	224	-	-	-	-	-	-	-	-
Public Works Reserve	231	255,000	-	-	-	35,000	-	-	290,000
Revolving Capital Projects	403	-	-	865,000	-	-	-	-	865,000
City Sales Tax Projects	405	-	1,015,000	-	-	-	-	-	1,015,000
Total Capital Project Funds			255,000	1,015,000	865,000	-	365,000	-	2,500,000
Total Governmental Funds			3,240,200	1,366,300	4,782,100	485,500	1,220,150	1,840,250	12,934,500
Internal Service									
Employee Severance Benefits	701	-	-	-	-	10,000	-	-	10,000
Enterprise Funds									
Water - Lake Superior Waterline	600	-	-	-	2,765,000	-	-	-	2,765,000
Water - In Town System	601	-	-	-	1,868,100	139,000	9,000	-	2,016,100
Sewer Utility	602	-	-	-	1,912,000	55,000	-	-	1,967,000
Stormwater Utility	605	-	-	-	330,000	2,000	-	-	332,000
Total Enterprise Funds			-	-	6,875,100	196,000	9,000	-	7,080,100
Total Proprietary Funds			-	-	6,875,100	206,000	9,000	-	7,090,100
GRAND TOTAL ALL FUNDS			3,240,200	1,366,300	4,782,100	7,360,600	1,426,150	1,849,250	20,024,600

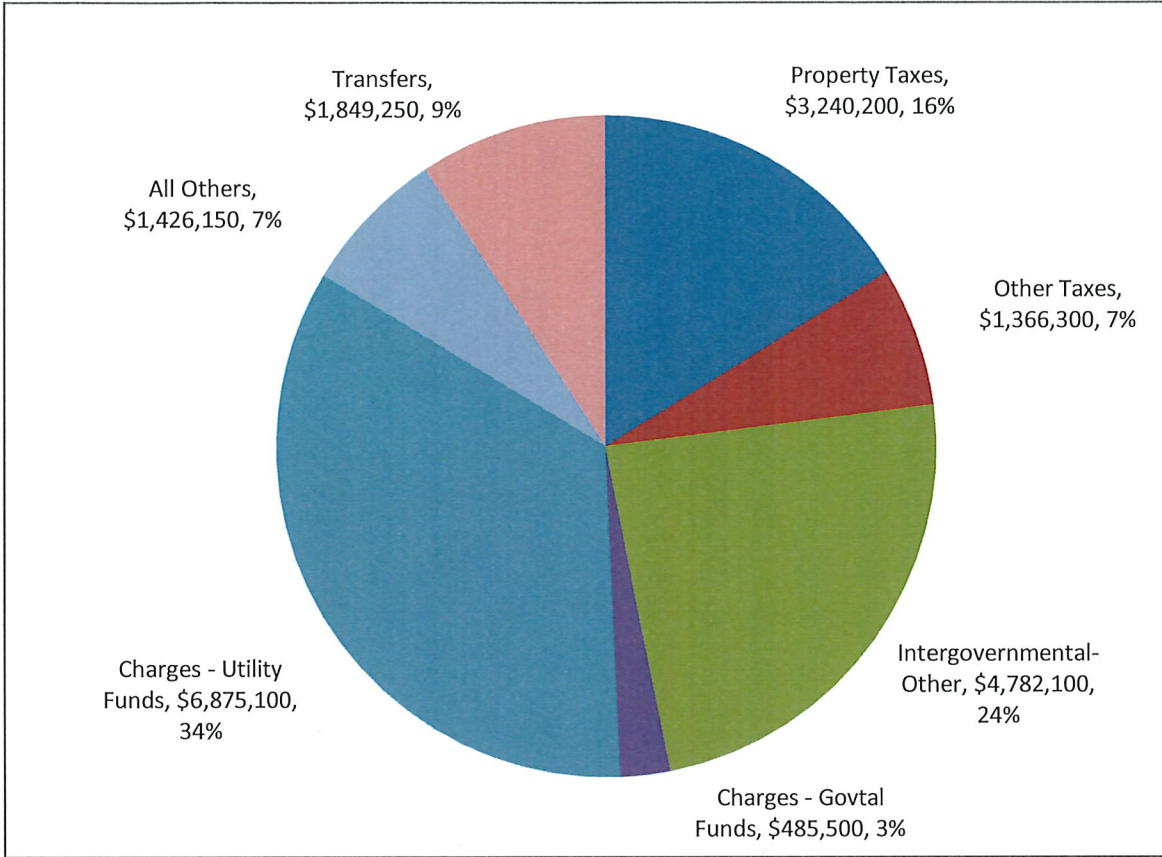
* - License and Permits, Fines & Forfeitures, Special Assessments, and Miscellaneous.

Expenditures/Expenses by Function for 2022

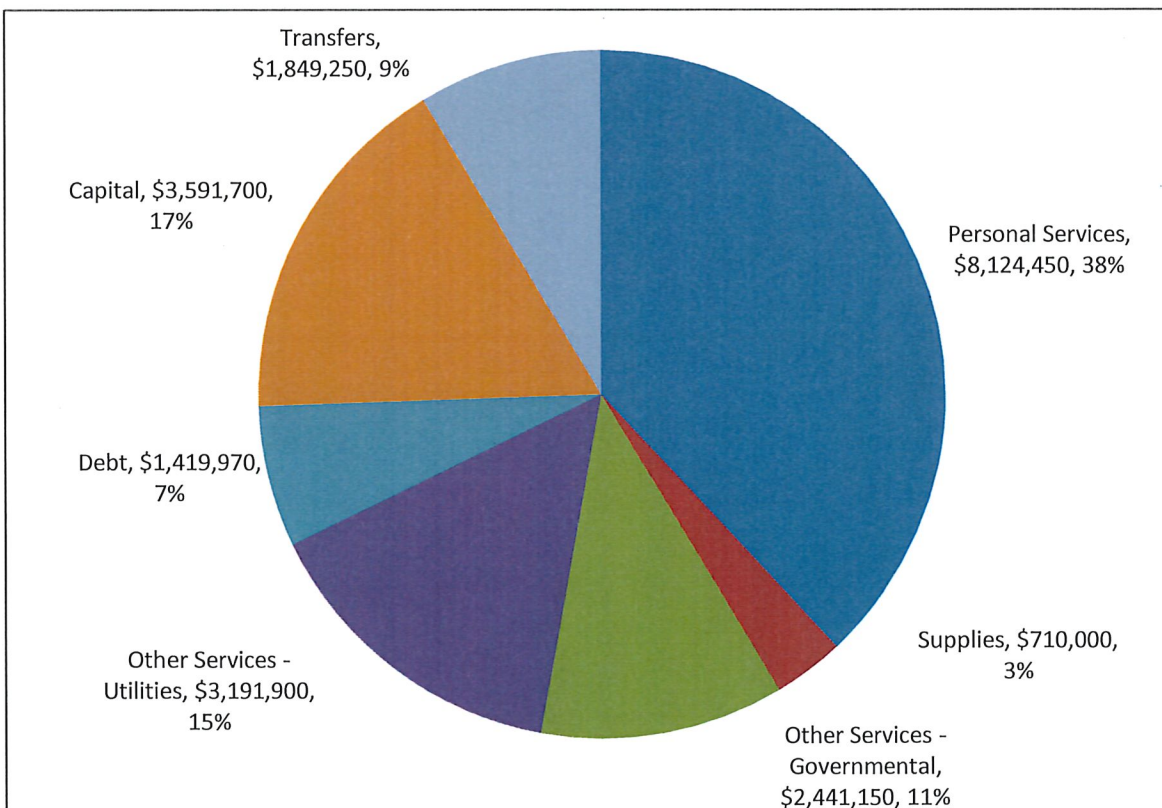
Personal Services	Supplies	Other Services	Debt	Capital	Transfers Out	Expenditure/Expenses
5,918,700	405,450	2,069,350	-	3,000	200,000	8,596,500
-	-	2,200	-	-	-	2,200
-	-	17,500	-	-	-	17,500
-	-	2,000	-	-	-	2,000
-	-	10,000	-	-	-	10,000
594,600	58,900	84,750	-	-	-	738,250
-	-	11,250	-	-	1,250	12,500
-	-	-	-	-	-	-
-	-	52,100	-	-	6,200	58,300
-	-	50,000	-	-	5,000	55,000
-	-	49,500	-	-	5,500	55,000
-	-	-	-	-	15,000	15,000
-	-	92,500	-	-	20,000	112,500
594,600	58,900	371,800	-	-	52,950	1,078,250
-	-	-	-	-	-	-
-	-	-	101,800	-	-	101,800
-	-	-	547,300	-	-	547,300
-	-	-	93,800	-	-	93,800
-	-	-	742,900	-	-	742,900
-	-	-	-	6,500	-	6,500
-	-	-	-	-	-	-
-	-	-	-	285,000	9,000	294,000
-	-	-	-	865,000	-	865,000
-	-	-	-	2,056,500	547,300	2,603,800
-	-	-	-	3,213,000	556,300	3,769,300
6,513,300	464,350	2,441,150	742,900	3,216,000	809,250	14,186,950
30,000	-	-	-	-	-	30,000
674,900	107,700	1,722,250	-	107,700	160,000	2,772,550
526,100	95,400	361,550	614,120	268,000	410,000	2,275,170
380,150	29,050	1,065,100	35,150	-	240,000	1,749,450
-	13,500	43,000	27,800	-	230,000	314,300
1,581,150	245,650	3,191,900	677,070	375,700	1,040,000	7,111,470
1,611,150	245,650	3,191,900	677,070	375,700	1,040,000	7,141,470
8,124,450	710,000	5,633,050	1,419,970	3,591,700	1,849,250	21,328,420

City of Cloquet 2022 Budget - All Funds

Revenues



Expenditures/Expenses



City of Cloquet
Summary Comparison of General Fund Expenditures & Financing Uses, Revenues & Financing Sources
2019 Actual through 2025 Planning

Descriptions	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2022 PROPOSED	2023 PLANNING	2024 PLANNING	2025 PLANNING	CHANGE ('22 to '21 BUDGET)	
								Dollars	Percent
Expenditures & Financing Uses:									
Council & Mayor	\$ 224,727	\$ 89,934	\$ 119,300	\$ 108,000	\$ 119,500	\$ 108,000	\$ 118,000	\$ (11,300)	-9.47%
Elections	12,718	31,629	-	25,700	-	25,700	-	25,700	#DIV/0!
Administration	264,618	316,751	335,800	352,200	361,900	374,450	384,100	16,400	4.88%
Human Resources	148,892	172,982	153,800	158,000	164,350	165,750	169,750	4,200	2.73%
Finance	232,345	250,804	269,250	275,950	277,400	285,650	290,500	6,700	2.49%
Prosecution	134,266	139,616	120,000	120,000	120,000	120,000	120,000	-	-
Managed Information Technology	65,578	78,921	60,000	60,000	60,000	60,000	60,000	-	-
Building & Planning Services	238,134	230,731	262,750	272,400	284,550	288,700	381,450	9,650	3.67%
General Government Bldgs	115,753	117,645	131,750	137,150	138,700	141,050	143,250	5,400	4.10%
WLSSD District Wide Allocation	25,807	25,221	24,500	24,500	24,500	24,500	24,500	-	-
Police & Other Public Safety	3,087,598	3,214,542	3,264,350	3,517,900	3,616,900	3,720,650	3,821,800	253,550	7.77%
Highways, Streets, & Roadways	1,548,940	1,539,969	1,675,000	1,764,800	1,811,700	1,853,900	1,899,700	89,800	5.36%
Snow Removal	67,870	51,373	65,000	65,000	65,000	65,000	65,000	-	-
Street Lighting	108,634	121,831	135,500	135,500	135,500	135,500	135,500	-	-
Weed Control	21,378	17,696	15,000	17,500	17,500	17,500	17,500	2,500	16.67%
Parks	1,021,967	675,266	793,400	816,300	825,300	834,650	845,200	22,900	2.89%
Senior Center	11,412	14,118	13,700	13,900	13,900	13,900	13,900	200	1.46%
Community Development Oper	151,167	161,914	149,450	464,450	158,050	186,250	166,550	315,000	210.77%
Events Coordination	11,263	15,000	-	15,000	15,000	15,000	15,000	15,000	#DIV/0!
Lodging Tax Distribution	58,513	48,555	52,250	52,250	52,250	52,250	52,250	-	-
Other Financing Uses	1,676,640	200,000	200,000	200,000	200,000	200,000	200,000	-	-
Total	\$ 9,228,220	\$ 7,514,497	\$ 7,840,800	\$ 8,596,500	\$ 8,462,000	\$ 8,688,400	\$ 8,923,950	\$ 755,700	9.64%
Revenues & Financing Sources:									
Taxes	\$ 2,308,234	\$ 2,220,297	\$ 2,236,950	\$ 2,417,200	\$ 2,559,300	\$ 2,575,300	\$ 2,745,300	\$ 180,250	8.06%
Licenses & Permits	185,869	147,587	173,000	184,750	185,750	190,750	190,750	\$ 11,750	6.79%
Intergovernmental	3,022,084	4,193,717	3,321,000	3,917,100	3,545,300	3,659,300	3,554,300	\$ 596,100	17.95%
Charges for Service	438,739	326,368	469,750	463,500	472,700	480,000	487,350	\$ (6,250)	-1.33%
Fines & Forfeits	54,258	38,664	60,000	60,000	60,000	60,000	60,000	\$ -	-
Investment Income	241,820	71,124	175,000	100,000	150,000	200,000	250,000	\$ (75,000)	-42.86%
Miscellaneous	400,950	384,190	340,250	362,000	367,100	374,200	380,300	\$ 21,750	6.39%
Other Financing Sources	1,271,357	1,013,789	1,064,850	1,092,950	1,122,550	1,150,050	1,180,050	\$ 28,100	2.64%
Total	\$ 7,923,311	\$ 8,395,736	\$ 7,840,800	\$ 8,597,500	\$ 8,462,700	\$ 8,689,600	\$ 8,848,050	\$ 756,700	9.65%
NET CHANGE	\$ (1,304,910)	\$ 881,239	\$ -	\$ 1,000	\$ 700	\$ 1,200	\$ (75,900)	\$ 1,000	
	City Hall Remodel	CARES Aid					Comp Plan/ Code Update		



DEPARTMENT OF PUBLIC WORKS

101 14th Street; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer – Engineering - Park
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Caleb Peterson, Public Works Director
Reviewed By: Tim Peterson, City Administrator TCP
Date: September 7, 2021

ITEM DESCRIPTION: Water Utility Drought Plan

Proposed Action

Staff recommends that the City Council move to adopt **RESOLUTION NO. 21-45, A RESOLUTION RESTRICTING NONESSENTIAL WATER USAGE UPON DROUGHT CONDITIONS AS AUTHORIZED BY MINNESOTA STATUTE 103G.291 AND CLOQUET CITY CODE 11.3.01.**

Background/Overview

With 78 percent of Minnesota now experiencing at least severe drought and some areas experiencing extreme drought, and even exceptional drought, the Minnesota Department of Natural Resources (DNR) has determined that the state is now in the drought warning phase of the State Drought Plan. With this designation, the DNR and others are taking additional steps such as restricting some water uses.

The State Drought Plan specifies actions that water suppliers must implement once the state is elevated to Drought Warning Phase.

Population over 1,000 - Public water suppliers must implement appropriate water use restrictions contained in their Water Supply Plan. These actions can be supported by measures that are identified in the Water Supply Plan, Part 3 Water Conservation.

All Water Suppliers - Public water suppliers will implement water use reduction actions with a goal of reducing water use to 50% above January levels.

Significant demand reduction is achievable by restricting or banning non-essential outdoor water use, especially lawn irrigation. As per the provisions of Cloquet's approved Water Supply Plan the City has or will be implementing the following in the coming days:

- Nonessential hydrant flushing has been suspended until October 1st.
- Standard Operating Procedures for water conservation during drought conditions related to irrigation of City owned Athletic Fields have been drafted/implemented.
- Direct correspondence with our 10 largest customers regarding possible conservation measures.
- Weekly staff review of pumping demands and well levels.
- Council to adopt lawn watering restrictions via resolution.
- Public education materials distributed via press release, website, direct mailing, and CAT 7 regarding watering restrictions and recommended water conservation practices.

Policy Objectives

To ensure an adequate water supply in the event of continued drought and comply with DNR water conservation measures.

Financial/Budget/Grant Considerations

None.

Advisory Committee/Commission Action

N/A.

Supporting Documents Attached

- Resolution No. 21-45

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 21-45

**A RESOLUTION RESTRICTING NONESSENTIAL WATER USEAGE UPON
DROUGHT CONDITIONS AS AUTHORIZED BY MINNESOTA
STATUTE 103G.291 AND CLOQUET CITY CODE 11.3.01**

WHEREAS, on August 12, 2021, the Minnesota Department of Natural Resources declared a state-wide draught warning phase under the State Draught Plan; and

WHEREAS, a draught warning requires the City to implement water use restrictions as contained in City's approved Water Supply Plan; and

WHEREAS, all public water suppliers must implement water use reduction actions with a goal limiting water use to 50% above average January levels; and

WHEREAS, pursuant to Cloquet City Code 11.3.01 Subd. 7 the Council has authority, by resolution, to limit times and hours during which City water may be used for sprinkling and irrigation.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA

- 1. City-wide lawn sprinkling restrictions will be effective immediately and shall continue until further Council action, pursuant to the following conditions:**
 - a. Watering of turf grass shall be restricted on an odd/even basis.
 - i. Homes or businesses with even-numbered addresses may water their lawns on even-numbered dates.
 - ii. Homes or businesses with odd-numbered addresses may water on odd-numbered dates.
 - b. Bushes, flowers, trees, and vegetable gardens may be watered on any day with a hose, drip line, bucket, or tree watering bag.
 - c. No watering of any kind is allowed from 11am-5pm daily to minimize evaporation.
 - d. Restrictions are in effect for property served by City water only and do not apply to rain catchment systems or other nonpotable water sources.
 - e. A 30-day exception shall be made for newly installed sod or seed outside of the prohibited 6-hour window.
 - f. For player safety, irrigation restrictions will not apply to athletic fields during or prior to the scheduled season except for the prohibited 6-hour window.
 - g. Violations of sprinkling restrictions shall constitute a violation of City Code and are subject to penalty including a \$50 utility bill surcharge per occurrence.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 7th DAY OF SEPTEMBER 2021.

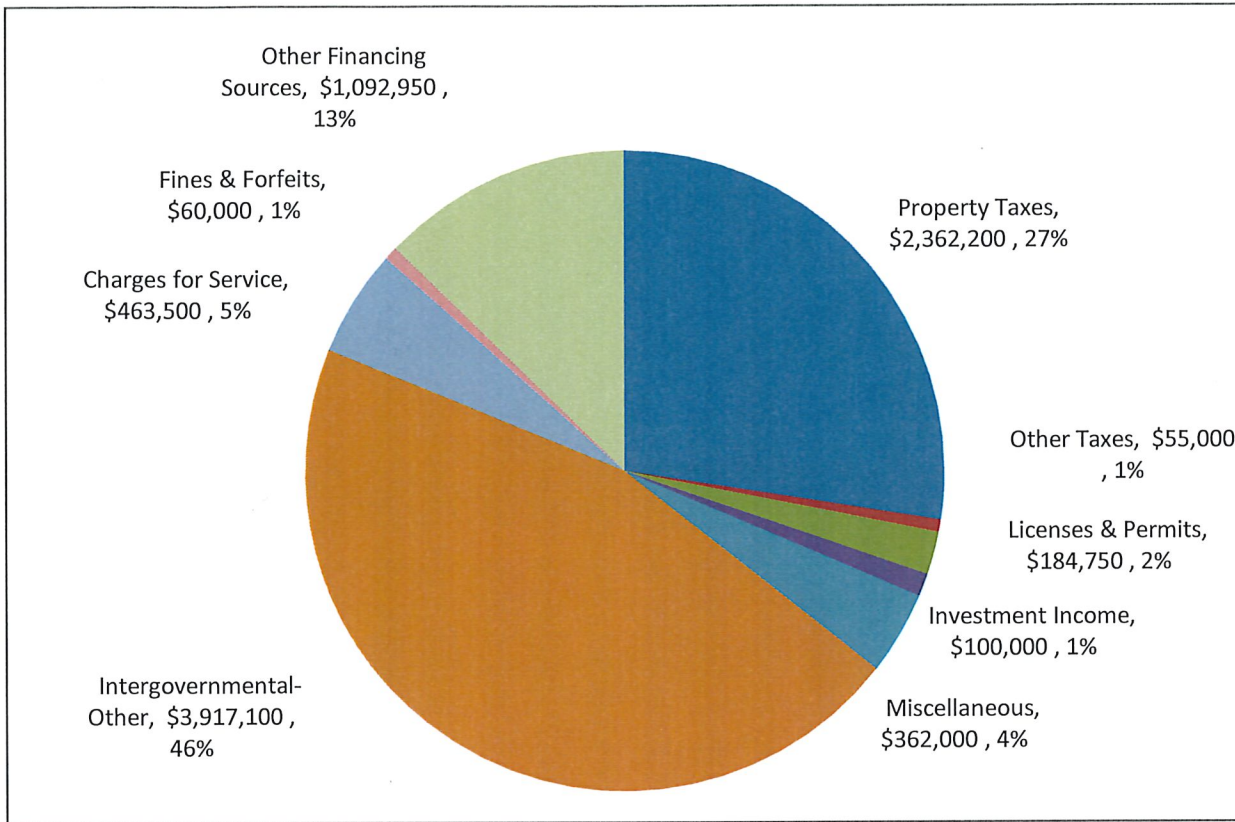
Roger Maki, Mayor

ATTEST:

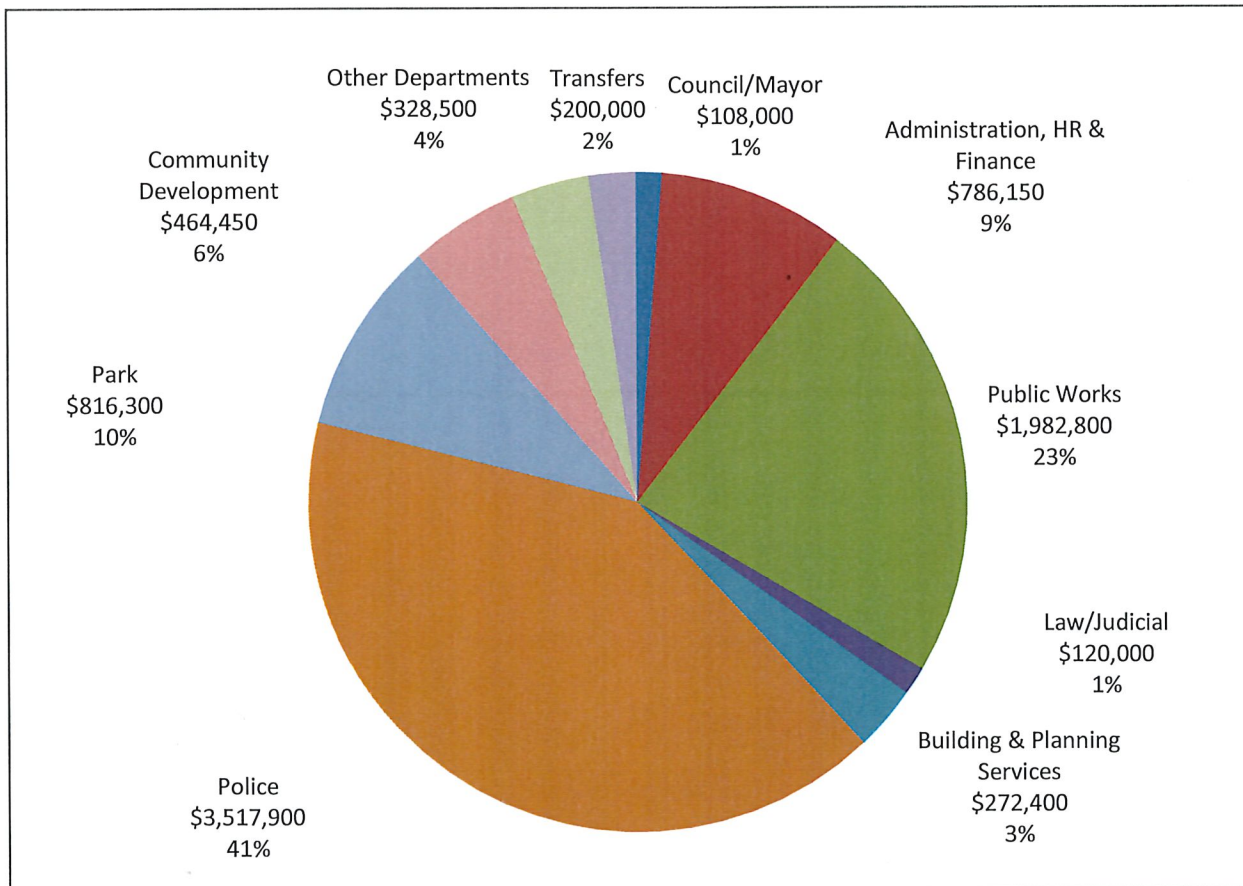
Tim Peterson, City Administrator

City of Cloquet 2022 General Fund Budget

Revenues



Expenditures





DEPARTMENT OF PUBLIC WORKS

101 14th Street; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer – Engineering - Park
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Caleb Peterson, Public Works Director
Reviewed By: Tim Peterson, City Administrator *TL?*
Date: September 7, 2021

ITEM DESCRIPTION: SCADA System Upgrades

Proposed Action

Staff recommends that the City Council move to adopt **RESOLUTION NO. 21-46, A RESOLUTION AWARDING 2021 SCADA SYSTEM IMPROVEMENTS.**

Background/Overview

The operation of Cloquet’s municipal utilities is continuously monitored and controlled by a Computerized Supervisory Control and Data Acquisition (SCADA) system which starts and stops pumps based on system demands. The current City of Cloquet SCADA system has a mix of Bristol Babcock PLCs (Programmable Logic Controllers) and Allen-Bradley Controllers. There are also five lift station sites that are not on the SCADA network. The 2021 budget and CIP include funding to update the older Bristol Babcock PLC’s and bring some smaller uncontrolled lift station sites into the network.

Council previously awarded a professional services contract to Total Control Systems who acts as the City’s system integrator. Under this agreement, Total Control will supply necessary materials and computer programming for these improvements. To comply with public bidding requirements, SEH was contracted to develop bidding documents for the electrical installation of required equipment.

Quotes for electrical work were received as follows:

#	Bidder	Base	Alternates 1-2	Total Bid
1	Taylor Electric Company	\$ 23,654.00	\$ 29,673.00	\$ 53,327.00
2	Parsons Electric	\$ 24,474.00	\$ 30,816.00	\$ 55,290.00
3	Amptek	\$ 47,570.00	\$ 32,720.00	\$ 80,290.00

Policy Objectives

To comply with State Statute and City Policy regarding purchasing and contract procurement.

Financial/Budget/Grant Considerations

The 2021 budget includes \$250,000 for this project split between the water, sanitary sewer, and Lake Superior water funds. A breakdown of the budget including actual and costs from Total Control, S.E.H. and the Electrical Contractor is included below.

	Water Fund	Sewer Fund	Lake Superior Waterline	Total
Budget	\$ 120,000.00	\$ 80,000.00	\$ 50,000.00	\$ 250,000.00
Total Control Inc.	\$ 88,603.80	\$ 59,069.20	\$ 83,221.00	\$ 230,894.00
S.E.H.	\$ 9,264.00	\$ 6,176.00	\$ 3,860.00	\$ 19,300.00
Electrician	\$ 20,463.83	\$ 13,642.55	\$ 19,220.62	\$ 53,327.00
Total	\$118,331.63	\$ 78,887.75	\$106,301.62	\$ 303,521.00

After initial bids came in much higher-than-expected staff worked closely with S.E.H. and Total Control to value engineer the system and bring costs down. Unfortunately, the pandemic has caused a large increase in materials costs for this work. It is not expected these costs will go down in next year, so staff is recommending award at this time.

After value engineering the remainder of the system, cost overruns are attributed only to the Lake Superior Waterline which will not impact our in-town utility rates.

Advisory Committee/Commission Action

N/A

Supporting Documents Attached

- Resolution No. 21-46

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 21-46

**A RESOLUTION AWARDDING
2021 SCADA SYSTEM IMPROVEMENTS**

WHEREAS, The City has completed plans and specifications for electrical improvements associated with planned Computerized Supervisory Control and Data Acquisition (SCADA) system upgrades and

WHEREAS, The City of Cloquet requested and received the following quotes for the project:

#	Bidder	Base	Alternates 1-2	Total Bid
1	Taylor Electric Company	\$ 23,654.00	\$ 29,673.00	\$ 53,327.00
2	Parsons Electric	\$ 24,474.00	\$ 30,816.00	\$ 55,290.00
3	Amptek	\$ 47,570.00	\$ 32,720.00	\$ 80,290.00

AND WHEREAS, The apparent low bid from **Taylor Electric Company** was found to meet the minimum bid requirements.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the bid from **Taylor Electric Company** in the amount of \$53,327.00 is hereby accepted.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 7th DAY OF SEPTEMBER, 2021.

Roger Maki, Mayor

ATTEST:

Tim Peterson, City Administrator

PREVAILING WAGE AND ITS AFFECTS ON CITY CONTRACTS

PURPOSE

The purpose of this document is to present relevant information to the Council concerning prevailing wage and its affects to city contracts/contractors. The summary document this information is pulled from is also included in its full text.

DISCUSSION

During review of the Project Labor Agreement, Council requested information and analysis on implementing a prevailing wage “rule” that would apply to all City funded projects (over \$175,000) going forward. **The argument for requiring prevailing wage is to create a level playing field for all contractors, whether union or non-union, by ensuring that public expenditures maintain and reflect local area standards for wages, benefits, and training contributions.** This would have the added benefit of protecting our local workers from exploitation without affecting the cost of projects.

In government contracting, a prevailing wage is defined as the hourly wage, usual benefits and overtime, paid to the majority of workers, laborers, and mechanics within a particular area. As pointed out by the Duluth Building and Construction Trades Council, this is usually the negotiated union wage. In Minnesota, the Minnesota Department of Labor and Industry (DLI), sets the prevailing-wage rates to be comparable to wages paid for similar work in the county where the construction project is located. A prevailing wage requirement reduces the ability of vendors to “low ball” their proposed costs for government contracts to the detriment of their workers.

By reflecting local standards for wages, benefits, and training contributions, prevailing wage law increases apprenticeship training. Research has found that prevailing wage laws are associated with higher apprenticeship shares, better apprenticeship program completion rates, and higher levels of worker productivity. By strengthening private contractor apprenticeship investments, prevailing wage law is an essential policy to help meet the demand for skilled workers. Prevailing wage promotes a skilled workforce that completes high-quality public construction projects on time and under budget. In Minnesota, 93 percent of all registered apprentices are enrolled in joint labor management programs.

Minnesota’s prevailing wage law statistically increases annual construction incomes by 5.2 percent on average and expands private health insurance coverage by 5.0 percent.

Minnesota’s prevailing wage law also produces positive impacts on the broader economy. By protecting local standards, prevailing wage supports work for local contracts and their employees—keeping more taxpayer funds in the local economy and stimulating economic activity. The policy allows local contractors to submit competitive and profitable bids based on the wage rates needed to attract local workers possessing the skills needed. As a result, local contractors have an advantage over out of area and out of state competitors.

An Examination of Minnesota's Prevailing Wage Law

Effects on Costs, Training, and Economic Development

By Frank Manzo IV, M.P.P.¹ and Kevin Duncan, Ph.D.²

Report Summary

Prevailing wage is a minimum wage for construction workers employed on publicly-funded projects. The main purpose of a prevailing wage law is to protect local construction labor standards in the low-bid environment. Prevailing wage laws create a level playing field for all contractors by ensuring that public expenditures maintain and reflect local area standards for wages, benefits, and training contributions. This study examines the effects of Minnesota's prevailing wage law on the cost of public construction, apprenticeship training programs, and economic development outcomes— including impacts on worker incomes, government assistance programs, and the broader Minnesota economy.

Minnesota's Prevailing Wage Law, Public Construction Costs, and Bid Competition

Fully 72 percent of peer-reviewed studies conducted since 2000 find that prevailing wage laws have no effect on the cost of public construction projects, including 82 percent of the studies focused on school construction costs. Prevailing wage laws do not impact project costs because labor costs are a low and historically declining share of total construction costs— about 23 percent in the United States. Consequently, only minor changes in labor

productivity and other construction costs are needed to offset the effect of the wage policy.

Opponents of prevailing wage laws claim that the wage policy reduces the level of bid competition, leading to higher costs. This claim is often made in the absence of any empirical evidence. There have been three peer-reviewed studies and one other report that examine the effect of the wage policy on the level of bid competition. These studies investigate 2,183 total bids on public projects in four distinct states or provinces and find that prevailing wage standards do not reduce the number of bidders on public projects.

To provide recent evidence of the effect of prevailing wage standards on the cost of public construction in Minnesota, 640 subcontractor low bids in the Minneapolis-St. Paul metropolitan area are analyzed. The results indicate that winning bids based on the payment of prevailing wages are no more costly than bids that do not require prevailing wages. These results are consistent with the preponderance of peer-reviewed academic research.

¹ Policy Director; Midwest Economic Policy Institute; www.midwestepi.org

² Professor of Economics; Colorado State University-Pueblo Hasan School of Business; www.csupueblo.edu

Minnesota's Prevailing Wage Law and Apprenticeship Training

Formal apprenticeship training is the foundation for human capital development in Minnesota's construction industry. By reflecting local market-based standards for wages, benefits, and training contributions, Minnesota's prevailing wage law increases apprenticeship training. Economic research has found that prevailing wage laws are associated with higher apprenticeship shares, better apprenticeship program completion rates, and higher levels of worker productivity. By strengthening private apprenticeship investments, Minnesota's prevailing wage law is an essential policy to help meet the demand for skilled workers. Prevailing wage promotes a skilled workforce that completes high-quality public construction projects on time and under budget.

In Minnesota, fully 93 percent of all registered apprentices are enrolled in joint labor-management programs. Joint labor-management programs train 92 percent of all white apprentices, 92 percent of all African-American apprentices, 95 percent of all Latino and Latina apprentices, and 84 percent of all veterans in registered apprenticeship programs in Minnesota.

There is a significant disparity in training resources between joint labor-management apprenticeship programs and those offered by non-joint sponsors, such as the Construction Education Foundation of Minnesota sponsored by the Associated Builders and Contractors (ABC). Joint labor-management programs are financed by a "cents per hour" contribution that is part of the total wage and benefit package negotiated privately with contractors. In 2015, the 10 largest labor-management programs, by

number of active apprentices, had \$29.8 million in annual revenue, \$68.5 million in total assets, and 252 total employees. By contrast, non-joint programs are sponsored by a single contractor or group of employers. The ABC's apprenticeship training program had just \$297,000 in annual revenue, \$290,000 in total assets, and one employee.

Minnesota's Prevailing Wage Law and Economic Development

In addition to ensuring that the next generation of construction workers is well-trained, state prevailing wage laws foster good, middle-class careers for construction workers. Minnesota's prevailing wage law statistically increases annual blue-collar construction incomes by 5.2 percent on average and on median.

Minnesota's prevailing wage law supports self-sufficient construction workers. The law expands private health insurance coverage by 5.0 percentage points, improves the share of construction workers with pension plans by 5.3 percentage points, and reduces the share of construction workers who qualify for food stamp assistance by 2.1 percentage points. As a result, an estimated 5,800 construction workers have pension plans, 5,500 construction workers have private health insurance coverage (including over 400 veterans), and 2,300 construction workers avoid reliance on food stamps due to Minnesota's prevailing wage law. By improving apprenticeship training and safety, promoting a strong middle class, and keeping construction costs stable, Minnesota's prevailing wage law produces fiscally-responsible public budgets.

Minnesota's prevailing wage law also produces positive impacts on the broader Minnesota economy. By protecting local standards,

prevailing wage supports work for local contractors and their employees— keeping more taxpayer funds in the local economy and stimulating economic activity. The policy allows local contractors to submit competitive and profitable bids based on the wage rates needed to attract local workers possessing the skills required by the project. As a consequence, local contractors have an advantage over out-of-area, out-of-state, and foreign competitors.

Evidence of this benefit is illustrated by more than 600 contractor bids for school construction projects built within the seven-county Minneapolis-St. Paul metropolitan area. Fully 74 percent of the total bid values for school projects requiring the payment of prevailing wages was awarded to metro-resident contractors. When prevailing wages were not applied, only 64 percent of the total bid values was awarded to local contractors. This means that, when a school district chooses to include prevailing wage standards, local contractors and workers account for a 10 percent higher market share, on average.

By maintaining prevailing wage standards, Minnesota ensures that more work is completed by local contractors and that project funds, jobs, income, and economic activity do not leak out of the local economy. In total, Minnesota's prevailing wage law protects \$505 million in construction business for in-state contractors. The stimulus effect— through, for instance, higher sales at local retail stores and service industries— improves the Minnesota economy by approximately \$981 million annually. The corresponding total employment increase is 7,200 jobs— including 5,000 construction jobs and 2,200 jobs in other industries, such as retail, service, and restaurants. Minnesota's prevailing wage

generates \$37 million in state and local tax revenue every year.

Finally, nearby Indiana offers a case study to compare and contrast with Minnesota.

Minnesota's construction market has fared better than Indiana's construction market since Indiana repealed its prevailing wage law in 2015. Per-worker productivity has grown 7.7 percentage-points faster in Minnesota and worker turnover rates have fallen in Minnesota while rising in Indiana. Employment on public projects has also grown 1.1 percentage-points faster in Minnesota than in Indiana. Ultimately, maintaining the prevailing wage law has produced positive effects on construction market outcomes in Minnesota.

Prevailing Wage is Good for Minnesota Taxpayers

Minnesota's prevailing wage law has positive impacts on the state's construction industry and broader economy. Both the highest-quality research available and recent data on school construction projects in the Twin Cities region indicate that Minnesota's prevailing wage law keeps construction costs stable. The law promotes apprenticeship training programs and ensures that public projects are completed safely, on time, and on budget. Prevailing wage also fosters a strong middle class in Minnesota, raising wages for people of all backgrounds and keeping blue-collar construction workers off public assistance programs. By ensuring that Minnesota's tax dollars are used to employ Minnesota workers at Minnesota construction companies, the prevailing wage law boosts economic development in the state. Ultimately, the prevailing wage is the best deal for Minnesota taxpayers.

**PROJECT LABOR AGREEMENT
[PUBLIC SECTOR]**

**ARTICLE I
PURPOSE**

This Agreement is entered into this _____ day of _____, 201_ by and by and between _____, its successors or assigns (hereinafter "Project Contractor"), _____ (hereinafter "Owner") and the Duluth Building and Construction Trade Council, on behalf of its affiliated local unions, acting on their own behalf and on behalf of their respective affiliates and members whose names are subscribed hereto and who have, through their duly authorized officers, executed this Agreement, hereinafter collectively called the "Union or Unions", with respect to the construction of the _____ [name of Project], hereinafter "Project".

The term "Contractor" shall include all construction contractors and subcontractors of whatever tier engaged in construction work within the scope of this Agreement, including the Project Contractor when it performs construction work within the scope of this Agreement. Where specific reference to _____ [name of Project Contractor] alone is intended, the term "Project Contractor" is used.

The parties recognize the need for the timely completion of the Project without interruption or delay. This Agreement is intended to establish a framework for labor-management cooperation and stability. The Contractor(s) and the Unions agree that the timely construction of this Project will require substantial numbers of employees from construction and supporting crafts possessing skills and qualifications that are vital to its completion. They will work together to furnish skilled, efficient craft workers for the construction of the Project.

Further, the parties desire to mutually establish and stabilize wages, hours and working conditions for the craft workers on this construction project, to encourage close cooperation between the Contractor(s) and the Unions ~~toward that end~~ and that a satisfactory, continuous and harmonious relationship will exist between the parties to this Agreement.

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Therefore, in recognition of the special needs of this Project and to maintain a spirit of harmony, labor-management peace, and stability during the term of this Agreement, the parties agree to abide by the terms and conditions in this Agreement, and to establish effective and binding methods for the settlement of all misunderstandings, disputes or grievances which may arise. Further, the Contractor(s) and all contractors of whatever tier, agree not to engage in any lockout, and the Unions agree not to engage in any strike, slow-down, or interruption or other disruption of or interference with the work covered by this Agreement.

ARTICLE II
SCOPE OF AGREEMENT

Section 1. This Project Labor Agreement shall apply and is limited to all construction work included in all bid categories for the Project under the direction of and performed by the Contractor(s), of whatever tier, which may include the Project Contractor, who have contracts awarded for such work on the Project. Such work shall include site preparation work and dedicated off-site work.

The Project is defined as: [list all aspects of the construction work involved.]

Section 2. It is agreed that the Project Contractor shall require all Contractors of whatever tier who have been awarded contracts for work covered by this Agreement to accept and be bound by the terms and conditions of this Project Labor Agreement by executing this Agreement prior to commencing work. This Project Labor Agreement is a material term of the bid specifications for the Project and therefore, regardless of whether a contractor executes this Agreement, by virtue of the owner and/or Project Contractor accepting the bid offer of the Contractor, a Contractor who performs work on this project is bound to this PLA regardless of their execution of this Agreement. The Project Contractor shall assure compliance with this Agreement by the Contractors. It is further agreed that, where there is a conflict, the terms and conditions of this Project shall supersede and override terms and conditions of any and all other national, area, or local collective bargaining agreements, except for all work performed under the NTL Articles of Agreement, The National Stack/Chimney Agreement, the National Cooling Tower Agreement, all instrument calibration work and loop checking shall be performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Systems Technicians, and the National Agreement of the International Union of Elevator Constructors, with the exception of Article V, VI and VII of this Project Labor Agreement, which shall apply to such work.

Section 3. Nothing contained herein shall be construed to prohibit, restrict or interfere with the performance of any other operation, work, or function which may occur at the Project site or be associated with the development of the Project.

Section 4. This Agreement shall only be binding on the signatory parties hereto and shall not apply to their parents, affiliates or subsidiaries.

Section 5. The Owner and/or Project Contractor have the absolute right to select any qualified bidder for the award of contracts on this Project without reference to the existence or non-existence of any agreements between such bidder and any party to this Agreement; provided, however, only that such bidder is willing, ready and able to become a party to and comply with this Project Agreement, should it be designated the successful bidder.

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| Section 6. As areas and systems of the Project are inspected and construction tested by the Project Contractor or Contractors and accepted by the Owner, the Project Labor Agreement will not have further force or effect on such items or areas, except when the Project Contractor or

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Contractors are directed by the Owner to engage in repairs, modifications, check-out, and warranty functions required by its contract with the Owner during the term of this Agreement.

Section 7. It is understood that the Owner, at its sole option, may terminate, delay and/or suspend any or all portions of the Project at any time.

Section 8. It is understood that the liability of any employer and the liability of the separate unions under this Agreement shall be several and not joint. The unions agree that this Agreement does not have the effect of creating any joint employer status between or among the Owner, Contractor(s) or any employer.

Section 9. The provisions of this Project Labor Agreement shall apply to all craft employees represented by any Union listed in Schedule A hereto attached and shall not apply to other field personnel or managerial or supervisor employees as defined by the National Labor Relations Act. No Contractor party is required to sign any other agreement as a condition of performing work within the scope of this Agreement. However, any Contractor performing work on the Project which is not party to a Local Area Labor Agreement for a craft employed by the Contractor, agrees, at a minimum, to pay a prevailing hourly rate of pay on all work performed on the Project consistent with the Minnesota Prevailing Wage Law, Minn. Stat. 177.41 to Minn. Stat. 177.44, with regard to all work performed on the Project, install hourly wage rates, hours, fringe benefit contributions, referral procedures and all other terms and conditions of employment as fully set forth in the applicable Local Area Agreement as attached as Schedule A for work on the Project for each craft employed by the Contractor. But in no event, shall the wages be less than the wages that are applicable to this project under the Davis-Bacon Act. All employees covered by this Agreement shall be classified in accordance with the work performed. Nothing in this Agreement requires employees to join a union or pay dues or fees to a union as a condition of working on the covered project. This Agreement is not, however, intended to supersede independent requirements in applicable local union agreements as to contractors that are otherwise signatory to those agreements and as to employees of such employers performing covered work.

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Section 10. ~~The All Union Contractors agree to timely pay contributions to the established employee benefit funds in the amounts designated in the Local Area Labor Agreements attached as Schedule A to which they are signatories. All other Contractors agree to timely pay all contributions to benefit plans mandated as part of the prevailing wage rate as prescribed by the Minnesota Prevailing Wage Law.~~

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The Contractors adopt and agree to be bound by the written terms of the legally-established Trust Agreements specifying the detailed basis on which payments are to be made into, and benefits paid out of, such Trust Funds. The Contractors authorize the parties to such Trust Agreements to appoint trustees and successor trustees to administer the Trust funds and hereby ratify and accept the Trustees so appointed as if made by the Contractors.

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Section 11. All workers delivering fill, sand, gravel, crushed rock, transit/concrete mix, ready mix, asphalt or other similar material and all workers removing any materials from the construction site shall receive a total package of wages and benefits at least and not lower than the wages and benefits provided for in the then current Highway, Heavy Construction Agreement between Teamsters Local 346 and the Associated General Contractors of America, or the Highway Heavy Prevailing Wage Schedule, whichever is greater.

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ARTICLE III
UNION RECOGNITION

Section 1. The Contractors recognize the signatory Unions as the sole and exclusive bargaining representatives of all craft employees within their respective jurisdictions working on the Project within the scope of this Agreement.

Section 2. Authorized representatives of the Union shall have access to the Project, provided they do not interfere with the work of employees and further provided that such representatives comply fully with the posted visitor and security and safety rules of the Project.

ARTICLE IV
REFERRAL OF EMPLOYEES

Applicants for the various classifications covered by this Agreement required by the Employer or Contractors on the Project shall be referred to the Contractors by the Unions. The Unions represent that its local unions administer and control their referrals and it is agreed that these referrals will be made in a non-discriminatory manner and in full compliance with Federal and State laws.

ARTICLE V
MANAGEMENT'S RIGHTS

The Project Contractor and Contractors of whatever tier retain full and exclusive authority for the management of their operations. Except as otherwise limited by the terms of this Agreement or the applicable local area agreements, the Contractors shall direct their working forces at their prerogative, including, but not limited to hiring, promotion, transfer, lay-off or discharge for just cause.

ARTICLE VI
WORK STOPPAGES AND LOCKOUTS

Section 1. During the term of this Agreement there shall be no strikes, picketing, work stoppages, slowdowns or other disruptive activity for any reason by the Unions or by any employee, and there shall be no lockout by the Contractor. Failure of any Union or employee to cross any picket line established at the Project site is a violation of this Article.

Section 2. The Unions shall not sanction, aid or abet, encourage or continue any work stoppage, strike, picketing or other disruptive activity at the Contractor's project site or any site of a

contractor or supplier necessary for the performance of work at the project site and shall undertake all reasonable means to prevent or to terminate any such activity. No employee shall engage in activities which violate this Article. Any employee who participates in or encourages any activities which interfere with the normal operation of the Project shall be subject to disciplinary action, including discharge, and if justifiably discharged for the above reasons, shall not be eligible for rehire on the Project for a period of not less than thirty (30) days.

Section 3. The Unions shall not be liable for acts of employees for whom it has no responsibility. The International Union General President or Presidents will immediately instruct, order and use the best efforts of his office to cause the Local Union or Unions to cease any violations of this Article. An International Union complying with this obligation shall not be liable for unauthorized acts of its Local Union. The principal officer or officers of a Local Union will immediately instruct, order and use the best efforts of his office to cause the employees the Local Union represents to cease any violations of this Article. A Local Union complying with this obligation shall not be liable for unauthorized acts of employees it represents. The failure of the Contractor to exercise its right in any instance shall not be deemed a waiver of its right in any other instance.

Section 4. Any party alleging a breach of this Article shall have the right to petition a court for temporary and permanent injunctive relief. The parties agree that the moving party, upon proving a breach of this Agreement, shall be entitled to temporary and permanent injunctive relief.

ARTICLE VII **SAFETY**

The parties are mutually committed to promoting a safe working environment for all personnel at the job site. It shall be the responsibility of each employer to which this PLA applies to provide and maintain safe working conditions for its employees, and to comply with all applicable federal, state and local health and safety laws and regulations.

ARTICLE VIII **UNION-MANAGEMENT COOPERATION COMMITTEE**

The parties to this Agreement agree to form a Union-Management Committee, consisting of signatory unions, contractors, and representatives of the City of Cloquet. The purpose of the Committee is to ensure cooperation on matters of mutual concern, including productivity, quality of work, safety and health.

ARTICLE IX **DISPUTES AND GRIEVANCES**

Section 1. This Agreement is intended to provide close cooperation between management and labor. Each of the Unions will assign a representative to this Project for the purpose of completing the construction of the Project economically, efficiently, continuously, and without interruptions, delays, or work stoppages.

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Section 2. The Contractors, Unions, and the employees, collectively and individually realize the importance to all parties to maintain continuous and uninterrupted performance of the work on the Project, and agree to resolve disputes in accordance with the grievance-arbitration provisions set forth in this Article.

Section 3. Any question or dispute arising out of and during the term of this Project Labor Agreement (other than trade jurisdictional disputes) shall be considered a grievance and subject to resolution under the following procedures:

Step 1. (a) When an employee subject to the provisions of this Agreement feels he or she is aggrieved by a violation of this Agreement, he or she personally or, through his or her local union business representative or job steward if a member of a union, shall, within ten (10) working days after the occurrence of the violation, or knowledge of the violation, give notice to the work-site representative of the involved Contractor stating the provision(s) of the Local Area Agreement and/or this PLA alleged to have been violated. The employee or business representative of the local union or the job steward and the work-site representative of the involved Contractor and the Project Contractor shall meet and endeavor to adjust the matter within three (3) working days after timely notice has been given. The representative of the Contractor shall keep the meeting minutes and shall respond to the Union representative in writing (copying the Project Contractor) at the conclusion of the meeting but not later than twenty-four (24) hours thereafter. If they fail to resolve the matter within the prescribed period, the grieving party may, within forty-eight (48) hours thereafter, pursue Step 2 of the Grievance Procedure, provided the grievance is reduced to writing, setting forth the relevant information concerning the alleged grievance, including a short description thereof, the date on which the grievance occurred, and the provision(s) of the Local Area Agreement and/or this PLA alleged to have been violated.

(b) Should the Employee, Local Union(s) or the Project Contractor or any Contractor have a dispute with the other party and, if after conferring, a settlement is not reached within seven (7) working days, the dispute may be reduced to writing and proceed to Step 2 in the same manner as outlined herein for the adjustment of an employee complaint.

Step 2. The Employee, Business Manager or his or her designee of a Local Union and the involved Contractor shall meet within seven (7) working days of the referral of a dispute to this second step to arrive at a satisfactory settlement thereof. Meeting minutes shall be kept by the Contractor. If the parties fail to reach an agreement, the dispute may be appealed in writing in accordance with the provisions of Step 3 within seven (7) calendar days thereafter.

Step 3. (a) If the grievance has been submitted but not adjusted under Step 2, either party may request in writing, within seven (7) calendar days thereafter, that the grievance be submitted to an Arbitrator mutually agreed upon by them. The Contractor and the involved Employee or Union shall attempt mutually to select an arbitrator, but if they are unable to do so, they shall request the Federal Mediation and Conciliation Service to provide them with a list of seven (7) neutral arbitrators from which the Arbitrator shall be selected. The parties shall alternatively strike arbitrators from the list until one remains, who shall preside at the hearing. The party striking first shall be determined by the flip of a coin. The decision of the Arbitrator

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shall be final and binding on all parties. The fee and expenses of such Arbitration shall be borne equally by the Contractor and the involved Employee or Local Union(s).

(b) Failure of the grieving party to adhere to the time limits established herein shall render the grievance null and void. The time limits established herein may be extended only by written consent of the parties involved at the particular step where the extension is agreed upon. The Arbitrator shall have the authority to make decisions only on issues presented to him or her, and he or she shall not have authority to change, amend, add to or detract from any of the provisions of this Agreement.

Section 4. The Project Contractor and Owner shall be notified of all actions at Steps 2 and 3 and shall, upon their request, be permitted to participate in all proceedings at these steps.

ARTICLE X JURISDICTIONAL DISPUTES

Section 1. The assignment of work will be solely the responsibility of the Contractor performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan.

Section 2. All jurisdictional disputes on this Project, between or among Building and Construction Trades Unions and employers, parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Contractors and Unions parties to this Agreement.

Section 3. All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Contractor's assignment shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge.

Section 4. Each Contractor will conduct a pre-job conference with the appropriate Building and Construction Trades Council prior to commencing work. The Project Contractor and the Owner will be advised in advance of all such conferences and may participate if they wish.

ARTICLE XI SUBCONTRACTING

The Project Contractor agrees that neither it nor any of its contractors or subcontractors will subcontract any work to be done on the Project except to a person, firm or corporation who is or agrees to become party to this Agreement. Any contractor or subcontractor working on the Project shall, as a condition to working on said Project, become signatory to and perform all work under the terms of this Agreement.

ARTICLE XII
HELMETS TO HARDHATS

Section 1. The Employers and Unions recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction industry. The Employers and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center") and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties.

Section 2. The Unions and Employers agree to coordinate with the Center to create and maintain an integrated database of veterans interested in working on this Project and of apprenticeship and employment opportunities for this Project. To the extent permitted by law, the Unions will give credit to such veterans for bona fide, provable past experience.

ARTICLE XIII
LABOR HARMONY CLAUSE

The contractor shall furnish labor that can work in harmony with all other elements of labor employed on the Project and shall submit a labor harmony plan to demonstrate how this will be done. "Harmony" shall include the provision of labor that will not, either directly or indirectly, cause or give rise to any work disruptions, slowdowns, picketing, stoppages, or any violence or harm to any person or property while performing any work, or activities incidental thereto at the Project. The labor harmony plan should include the company's labor management policies, collective bargaining agreements if any and their expiration dates, past labor relations history, a listing of activities anticipated under this contract that may potentially cause friction with on-site workers, and procedures the company will undertake to eliminate this friction.

The contractor agrees that it shall require every lower-tier subcontractor to provide labor that will work in harmony with all other elements of labor employed in the work, and will include the provisions contained in the paragraph above, in every lower-tier subcontract let for work under this contract.

The requirement to provide labor that can work in harmony with all other elements of labor employed in the work throughout the contract performance is a material element of this contract. Failure by the contractor or any of its lower-tier subcontractors to comply with this requirement shall be deemed a material breach of the contract which will subject the contractor to all rights and remedies the Owner or Project Contractor may have, including without limitation the right to terminate the contract.

**ARTICLE XIV
NO DISCRIMINATION**

Section 1. The Contractor and Union agree that they will not discriminate against any employee or applicant for employment because of his or her membership or non-membership in a Union or based upon race, color, religion, sex, national origin or age in any manner prohibited by law or regulation.

Section 2. Any complaints regarding application of the provisions of Section 1, should be brought to the immediate attention of the involved Contractor for consideration and resolution.

Section 3. The use of the masculine or feminine gender in this Agreement shall be construed as including both genders.

**ARTICLE XV
SAVINGS AND SEPARABILITY**

It is not the intention of the parties to violate any laws governing the subject matter of this Agreement. The parties hereto agree that in the event any provisions of the Agreement are finally held or determined to be illegal or void as being in contravention of any applicable law, the remainder of the Agreement shall remain in full force and effect unless the part or parts so found to be void are wholly inseparable from the remaining portions of this Agreement. Further, the Contractor and Union agree that if and when any and all provisions of this Agreement are finally held or determined to be illegal or void by a Court of competent jurisdiction, the parties will promptly enter into negotiations concerning the substance affected by such decision for the purpose of achieving conformity with the requirements of an applicable law and the intent of the parties hereto.

**ARTICLE XVI
DURATION OF THE AGREEMENT**

The Project Labor Agreement shall be effective _____201_ and shall continue in effect for the duration of the Project construction work described in Article II hereof. Construction of any phase, portion, section or segment of the project shall be deemed complete when such phase, portion, section or segment has been turned over to the Owner and has received the final acceptance from the Owner's representative.

Since there are provisions herein for no strikes or lockouts in the event any changes are negotiated and implemented under a Local Area Agreement during the term of this Agreement, the Contractor agrees that, except as specified herein, such changes shall be recognized and shall apply retroactively to the termination date in the particular Local Agreement involved. Each Contractor which has a Local Agreement with a Union at the time that its contract at the project commences shall continue it in effect with each said Union so long as the Contractor remains on

| the project. In the event, any such Local Area Agreement expires, the Contractor shall abide by

all of the terms of the expired Local Agreement until agreement is reached on a new Local Agreement, with any changes being subject to the provisions of this Agreement.

The Contractor and any signatory Union Contractor agrees that there will be no strikes, work stoppages, sympathy actions, picketing, slowdowns or other disruptive activity affecting the Project by any Contractor or Union involved in the negotiation of a Local Area Agreement nor shall there be any lockout on this Project affecting ~~the any Contractor or Union~~ during the course of such negotiations.

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IN WITNESS WHEREOF, the parties have entered into this Agreement to be effective as of the day and year above written.

OWNER

PROJECT CONTRACTOR

By: _____
Its: _____

By: _____
Its: _____

DULUTH BUILDING & CONSTRUCTION
TRADES COUNCIL

By: _____
Its: _____

SCHEDULE "A"

A-1	Asbestos Workers Local 49
A-2	Boilermakers Local 647
A-3	BAC Local 1 Chapter 3 Duluth & Iron Range
A-4	Carpenters Local 361
A-5	Cements Masons/Plasterers Local 633
A-6	Elevator Constructors Local 9
A-7	IBEW Local 242
A-8	Iron Workers Local 512
A-9	Laborers Local 1091
A-10	Millrights & Machinery Erectors Local 1348
A-11	Operating Engineers Local 49
A-12	Painters & Allied Trades Local 106
A-13	Plumbers & Fitters Local 11
A-14	Roofers Local 96
A-15	Sheet Metal Workers Local 10
A-16	Sprinkler Fitters Local 669
A-17	Teamsters Local 346

**AGREEMENT TO BE BOUND
PROJECT LABOR AGREEMENT**

The undersigned EMPLOYER agrees that it has reviewed a copy of the Project Labor Agreement for the _____ Project located in _____, Minnesota ~~with the Duluth Building and Construction Trades Council and further~~ and agrees to become a party to and bound to the foregoing Agreement.

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Attest:

SIGNED FOR THE EMPLOYER:

Dated: _____

Company Name

Company Address

Phone No., Job Site and/or Office

Fax No.

By

Title